

EXHIBIT "B"

TO

MASTER AGREEMENT FOR ON-CALL CONSTRUCTION MANAGEMENT SERVICES
FOR REPLACEMENT OR REHABILITATION OF VARIOUS HBP-FUNDED BRIDGES
IN LAKE COUNTY, CALIFORNIA

EXHIBIT 10-H2 COST PROPOSAL Page 1 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Note: Mark-ups are Not Allowed

Consultant MGE Engineering, Inc☒

Prime Consultant

☐

Subconsultant

☐

2nd Tier Sunconsultant

Project No. _____

Contract No. _____

Participation Amount \$ _____

Date 6/15/2020

For Combined Rate	Fringe Benefit % + General & Administrative %	=	Combined ICR %
For Home Office Rate	Fringe Benefit 51.47% + General & Administrative 114.48%	=	Home Office ICR 165.95%
For Field Office Rate	Fringe Benefit 48.62% + General & Administrative 98.02%	=	Field Office ICR 146.64%
	Fee	=	10%

BILLING INFORMATION

CALCULATION INFORMATION

Name/Job Title/Classification ¹	Hourly Billing Rates ²		Effective date of hourly rate		Actual or Avg. hourly rate ⁴	% or \$ increase	Hourly range -- for Classification only
	Straight ³	To(1.5x)	To(2x)	From	To		
Fred Huang PE * Principal	\$ 277.92	NA	NA	7/1/2020	12/31/2020	\$ 95.00	0%
	\$ 291.81	NA	NA	1/1/2021	12/31/2021	\$ 99.75	5%
	\$ 306.40	NA	NA	1/1/2022	12/31/2022	\$ 104.74	5%
	\$ 321.72	NA	NA	1/1/2023	12/31/2023	\$ 109.97	5%
	\$ 337.81	NA	NA	1/1/2024	12/31/2024	\$ 115.47	5%
Joe Siemers, PE, QSD * Project/Construction Manager	\$ 198.93	NA	NA	7/1/2020	12/31/2020	\$ 68.00	0%
	\$ 208.88	NA	NA	1/1/2021	12/31/2021	\$ 71.40	5%
	\$ 219.32	NA	NA	1/1/2022	12/31/2022	\$ 74.97	5%
	\$ 230.29	NA	NA	1/1/2023	12/31/2023	\$ 78.72	5%
	\$ 241.80	NA	NA	1/1/2024	12/31/2024	\$ 82.65	5%
Martin McIlroy, PE, PG, CEG* QA/QC & Constructability Reviews	\$ 219.41	NA	NA	7/1/2020	12/31/2020	\$ 75.00	0%
	\$ 230.38	NA	NA	1/1/2021	12/31/2021	\$ 78.75	5%
	\$ 241.90	NA	NA	1/1/2022	12/31/2022	\$ 82.69	5%
	\$ 253.99	NA	NA	1/1/2023	12/31/2023	\$ 86.82	5%
	\$ 266.69	NA	NA	1/1/2024	12/31/2024	\$ 91.16	5%
Bill Peterson ** Office Engineer	\$ 181.38	\$ 272.07	\$ 362.76	7/1/2020	12/31/2020	\$ 62.00	0%
	\$ 190.45	\$ 285.67	\$ 380.89	1/1/2021	12/31/2021	\$ 65.10	5%
	\$ 199.97	\$ 299.95	\$ 399.94	1/1/2022	12/31/2022	\$ 68.36	5%
	\$ 209.97	\$ 314.95	\$ 419.94	1/1/2023	12/31/2023	\$ 71.77	5%
	\$ 220.47	\$ 330.70	\$ 440.93	1/1/2024	12/31/2024	\$ 75.36	5%

EXHIBIT 10-H2 COST PROPOSAL Page 1 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Note: Mark-ups are Not Allowed

Consultant MGE Engineering, Inc☒

Prime Consultant

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Subconsultant

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2nd Tier Sunconsultant

Project No. _____

Contract No. _____

Participation Amount \$ _____

Date 6/15/2020

For Combined Rate		Fringe Benefit % + General & Administrative % = Combined ICR %									
		OR									
For Home Office Rate		Fringe Benefit 51.47% + General & Administrative 114.48% = Home Office ICR 165.95%									
For Field Office Rate		Fringe Benefit 48.62% + General & Administrative 98.02% = Field Office ICR 146.64%									
		Fee									
		10%									
Bill Peterson ** Inspector	\$ 168.21	\$ 252.31	\$ 336.42	7/1/2020	12/31/2020	\$ 62.00	0%	Not Applicable			
	\$ 176.62	\$ 264.93	\$ 353.24	1/1/2021	12/31/2021	\$ 65.10	5%				
	\$ 185.45	\$ 278.17	\$ 370.90	1/1/2022	12/31/2022	\$ 68.36	5%				
	\$ 194.72	\$ 292.08	\$ 389.44	1/1/2023	12/31/2023	\$ 71.77	5%				
	\$ 204.46	\$ 306.69	\$ 408.92	1/1/2024	12/31/2024	\$ 75.36	5%				
Manouch Mahmoudzadeh, PE ** Structure Representative/Inspector	\$ 185.16	\$ 277.75	\$ 370.33	7/1/2020	12/31/2020	\$ 68.25	0%	Not Applicable			
	\$ 194.42	\$ 291.63	\$ 388.85	1/1/2021	12/31/2021	\$ 71.66	5%				
	\$ 204.14	\$ 306.22	\$ 408.29	1/1/2022	12/31/2022	\$ 75.25	5%				
	\$ 214.35	\$ 321.53	\$ 428.70	1/1/2023	12/31/2023	\$ 79.01	5%				
	\$ 225.07	\$ 337.60	\$ 450.14	1/1/2024	12/31/2024	\$ 82.96	5%				
John Rogers, PE** Inspector	\$ 184.49	\$ 276.73	\$ 368.97	7/1/2020	12/31/2020	\$ 68.00	0%	Not Applicable			
	\$ 193.71	\$ 290.57	\$ 387.42	1/1/2021	12/31/2021	\$ 71.40	5%				
	\$ 203.40	\$ 305.09	\$ 406.79	1/1/2022	12/31/2022	\$ 74.97	5%				
	\$ 213.57	\$ 320.35	\$ 427.13	1/1/2023	12/31/2023	\$ 78.72	5%				
	\$ 224.24	\$ 336.37	\$ 448.49	1/1/2024	12/31/2024	\$ 82.65	5%				
Serop Babakhani** Inspector	\$ 176.35	\$ 264.52	\$ 352.70	7/1/2020	12/31/2020	\$ 65.00	0%	Not Applicable			
	\$ 185.16	\$ 277.75	\$ 370.33	1/1/2021	12/31/2021	\$ 68.25	5%				
	\$ 194.42	\$ 291.63	\$ 388.85	1/1/2022	12/31/2022	\$ 71.66	5%				
	\$ 204.14	\$ 306.22	\$ 408.29	1/1/2023	12/31/2023	\$ 75.25	5%				
	\$ 214.35	\$ 321.53	\$ 428.70	1/1/2024	12/31/2024	\$ 79.01	5%				
Thomas Tadayon** Inspector	\$ 176.35	\$ 264.52	\$ 352.70	7/1/2020	12/31/2020	\$ 65.00	0%	Not Applicable			
	\$ 185.16	\$ 277.75	\$ 370.33	1/1/2021	12/31/2021	\$ 68.25	5%				
	\$ 194.42	\$ 291.63	\$ 388.85	1/1/2022	12/31/2022	\$ 71.66	5%				
	\$ 204.14	\$ 306.22	\$ 408.29	1/1/2023	12/31/2023	\$ 75.25	5%				
	\$ 214.35	\$ 321.53	\$ 428.70	1/1/2024	12/31/2024	\$ 79.01	5%				

EXHIBIT 10-H2 COST PROPOSAL Page 1 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Note: Mark-ups are Not Allowed

Consultant MGE Engineering, Inc☒

Prime Consultant

☐

Subconsultant

☐ 2nd Tier Sunconsultant

Project No. _____

Contract No. _____

Participation Amount \$ _____

Date 6/15/2020

For Combined Rate		Fringe Benefit % + General & Administrative % = Combined ICR %									
		OR									
For Home Office Rate		Fringe Benefit 51.47% + General & Administrative 114.48% = Home Office ICR 165.95%									
For Field Office Rate		Fringe Benefit 48.62% + General & Administrative 98.02% = Field Office ICR 146.64%									
Staff**	Inspector	Fee									
											10%
		\$ 176.35	\$ 264.52	\$ 352.70	7/1/2020	12/31/2020	\$ 65.00	0%	62.00	-	68.00
		\$ 185.16	\$ 277.75	\$ 370.33	1/1/2021	12/31/2021	\$ 68.25	5%	65.10	-	71.40
		\$ 194.42	\$ 291.63	\$ 388.85	1/1/2022	12/31/2022	\$ 71.66	5%	68.36	-	74.97
		\$ 204.14	\$ 306.22	\$ 408.29	1/1/2023	12/31/2023	\$ 75.25	5%	71.77	-	78.72
		\$ 214.35	\$ 321.53	\$ 428.70	1/1/2024	12/31/2024	\$ 79.01	5%	75.36	-	82.65
		\$ 146.27	\$ 219.41	\$ 292.55	7/1/2020	12/31/2020	\$ 50.00	0%	40.00	-	54.00
		\$ 153.59	\$ 230.38	\$ 307.17	1/1/2021	12/31/2021	\$ 52.50	5%	42.00	-	56.70
		\$ 161.27	\$ 241.90	\$ 322.53	1/1/2022	12/31/2022	\$ 55.13	5%	44.10	-	59.54
		\$ 169.33	\$ 253.99	\$ 338.66	1/1/2023	12/31/2023	\$ 57.88	5%	46.31	-	62.51
		\$ 177.80	\$ 266.69	\$ 355.59	1/1/2024	12/31/2024	\$ 60.78	5%	48.62	-	65.64
		\$ 105.32	\$ 157.97	\$ 210.63	7/1/2020	12/31/2020	\$ 36.00	0%	28.00	-	36.00
		\$ 110.58	\$ 165.87	\$ 221.16	1/1/2021	12/31/2021	\$ 37.80	5%	29.40	-	37.80
		\$ 116.11	\$ 174.17	\$ 232.22	1/1/2022	12/31/2022	\$ 39.69	5%	30.87	-	39.69
		\$ 121.92	\$ 182.87	\$ 243.83	1/1/2023	12/31/2023	\$ 41.67	5%	32.41	-	41.67
		\$ 128.01	\$ 192.02	\$ 256.02	1/1/2024	12/31/2024	\$ 43.76	5%	34.03	-	43.76

* = Exempt Employee ** = Non- Exempt Employee

NOTES:

1. Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
2. The cost proposal format shall not be amended.
3. Billing rate = actual hourly rate * (1+ ICR) * (1+ Fee). Indirect cost rates should be based on the consultant's annual accounting period, established by a cognizant agency or accepted by Caltrans. All costs must comply with the Federal cost principles for reimbursement.
4. For named employees and key personnel enter the actual hourly rate. For classifications only, enter the Average Hourly Rate for that classification.

EXHIBIT 10-H2 Cost Proposal Page 2 of 3
 SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
 (CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Consultant MGE Engineering, Inc. ☒ Prime Consultant ☐ Subconsultant
 Project No. _____ Contract No. _____ Date 6/15/2020

SCHEDULE OF OTHER DIRECT COST ITEMS (Add additional pages as necessary)				
Description of Item	Quantity	Unit	Unit Cost	Total
Mileage Costs	1	Mile	0.58	\$TBD
Per Diem	1	Day	\$50	\$TBD
Lodging	1	Day	\$100	\$TBD
Subconsultant 1:				\$TBD
Subconsultant 2:				\$
Subconsultant 3:				\$
Subconsultant 4:				\$
Subconsultant 5:				\$

Note: Add additional pages if necessary.

NOTES:

1. List other direct cost items with estimated costs. These costs should be competitive in their respective industries and supported with appropriate documentation.
2. Proposed ODC items should be consistently billed regardless of client and contract type.
3. Items when incurred for the same purpose, in like circumstance, should not be included in any indirect cost pool or in the overhead rate.
4. Items such as special tooling, will be reimbursed at actual cost with supporting documentation (invoice).
5. Items listed above that would be considered "tools of the trade" are not reimbursable as other direct cost.
6. Travel related costs should be pre-approved by the contracting agency and shall not exceed current State Department of Personnel Administration rules.
7. If mileage is claimed, the rate should be properly supported by the consultant's calculation of their actual costs for company vehicles. In addition, the miles claimed should be supported by mileage logs.
8. If a consultant proposes rental costs for a vehicle, the company must demonstrate that this is its standard procedure for all of their contracts and that they do not own any vehicles that could be used for the same purpose.
9. The cost proposal format shall not be amended. All costs must comply with the Federal cost principles.
10. Add additional pages if necessary.
11. Subconsultants must provide their own cost proposals.

EXHIBIT 10-H2 COST PROPOSAL Page 3 of 3

Certification of Direct Costs:


I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

7. Generally Accepted Accounting Principles (GAAP)
8. Terms and conditions of the contract
9. [Title 23 United States Code Section 112](#) - Letting of Contracts
10. [48 Code of Federal Regulations Part 31](#) - Contract Cost Principles and Procedures
11. [23 Code of Federal Regulations Part 172](#) - Procurement, Management, and Administration of Engineering and Design Related Service
12. [48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board](#) (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Prime Consultant or Subconsultant Certifying:

Name: H. Fred Huang Title *: President

Signature :  Date of Certification (mm/dd/yyyy): 6/15/2020

Email: fhuang@mgeeng.com Phone Number: 916-421-1000

Address: 7415 Greenhaven Drive, Suite 100, Sacramento, CA 95831

- * An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

On-Call Construction Management Services for HBP-Funded Bridge Projects in Lake County, CA

**EXHIBIT 10-K CONSULTANT ANNUAL CERTIFICATION OF
INDIRECT COSTS AND FINANCIAL MANAGEMENT SYSTEM**

(Note: If a Safe Harbor Indirect Cost Rate is approved, this form is not required.)

Consultant's Full Legal Name: MGE Engineering, Inc.

Important: Consultant means the individual or consultant providing engineering and design related services as a party of a contract with a recipient or sub-recipient of Federal assistance. Therefore, the Indirect Cost Rate(s) shall not be combined with its parent company or subsidiaries.

Indirect Cost Rate:

Combined Rate _____ % **OR**

Home Office Rate 165.95 % and Field Office Rate (if applicable) 146.64 %

Facilities Capital Cost of Money _____ % (if applicable)

Fiscal period * 1/1/2018 - 12/31/2018

* Fiscal period is annual one year applicable accounting period that the Indirect Cost Rate was developed (not the contract period). The Indirect Cost Rate is based on the consultant's one-year applicable accounting period for which financial statements are regularly prepared by the consultant.

I have reviewed the proposal to establish an Indirect Cost Rate(s) for the **fiscal period** as specified above and have determined to the best of my knowledge and belief that:

- All costs included in the cost proposal to establish the indirect cost rate(s) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) 48, Code of Federal Regulations (CFR), Chapter 1, Part 31 (48 CFR Part 31);
- The cost proposal does not include any costs which are expressly unallowable under the cost principles of 48 CFR Part 31;
- The accounting treatment and billing of prevailing wage delta costs are consistent with our prevailing wage policy as either direct labor, indirect costs, or other direct costs on all federally-funded A&E Consultant Contracts.
- All known material transactions or events that have occurred subsequent to year-end affecting the consultant's ownership, organization, and indirect cost rates have been disclosed as of the date of this certification.

I am providing the required and applicable documents as instructed on Exhibit 10-A.

Financial Management System:

Our labor charging, job costing, and accounting systems meet the standards for financial reporting, accounting records, and internal control adequate to demonstrate that costs claimed have been incurred, appropriately accounted for, are allocable to the contract, and comply with the federal requirements as set forth in Title 23 United States Code (U.S.C.) Section 112(b)(2); 48 CFR Part 31.201-2(d); 23 CFR, Chapter 1, Part 172.11(a)(2); and all applicable state and federal rules and regulations.

Our financial management system has the following attributes:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts;
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into separate cost

accounts;

- Ability to accumulate and segregate allowable direct costs by project, contract and type of cost;
- Internal controls to maintain integrity of financial management system;
- Ability to account and record costs consistently and to ensure costs billed are in compliance with FAR;
- Ability to ensure and demonstrate costs billed reconcile to general ledgers and job costing system; and
- Ability to ensure costs are in compliance with contract terms and federal and state requirement

Cost Reimbursements on Contracts:

I also understand that failure to comply with 48 CFR Part 16.301-3 or knowingly charge unallowable costs to Federal-Aid Highway Program (FAHP) contracts may result in possible penalties and sanctions as provided by the following:

- Sanctions and Penalties - [23 CFR Part 172.11\(c\)\(4\)](#)
- False Claims Act - [Title 31 U.S.C. Sections 3729-3733](#)
- Statements or entries generally - [Title 18 U.S.C. Section 1001](#)
- Major Fraud Act - [Title 18 U.S.C. Section 1031](#)

All A&E Contract Information:

- Total participation amount \$ 10 million on all State and FAHP contracts for Architectural & Engineering services that the consultant received in the last three fiscal periods.
- The number of states in which the consultant does business is 1 (one).
- Years of consultant's experience with 48 CFR Part 31 is 28.
- Audit history of the consultant's current and prior years (if applicable)

<input type="checkbox"/> Cognizant ICR Audit	<input checked="" type="checkbox"/> Local Gov't ICR Audit	<input checked="" type="checkbox"/> Caltrans ICR Audit
<input checked="" type="checkbox"/> CPA ICR Audit	<input type="checkbox"/> Federal Gov't ICR Audit	

I, the undersigned, certify all of the above to the best of my knowledge and belief and that I have reviewed the Indirect Cost Rate Schedule to determine that any costs which are expressly unallowable under the Federal cost principles have been removed and comply with [Title 23 U.S.C. Section 112\(b\)\(2\)](#), [48 CFR Part 31](#), [23 CFR Part 172](#), and all applicable state and federal rules and regulations. I also certify that I understand that all documentation of compliance must be retained by the consultant. I hereby acknowledge that costs that are noncompliant with the federal and state requirements are not eligible for reimbursement and must be returned to Caltrans.

Name**: H. Fred Huang

Title**: President

Signature: [Signature]

Date of Certification (mm/dd/yyyy): 6/15/2020

Email**: fhuang@mgeeng.com

Phone Number**: 916-421-1000

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President, a Chief Financial Officer, or equivalent, who has authority to represent the financial information used to establish the indirect cost rate.

Note: Both prime and subconsultants as parties of a contract must complete their own Exhibit 10-K forms. Caltrans will not process local agency's invoices until a complete Exhibit 10-K form is accepted and approved by Caltrans Audits and Investigations.

Distribution: 1) Original - Local Agency Project File
2) Copy - Consultant
3) Copy - Caltrans Audits and Investigations

PREVAILING WAGE POLICY

MGE complies with all California's prevailing wage laws as applicable. All workers employed on public works projects are paid prevailing wage rates as determined by the Director of the Department of Industrial Relations according to the type of work and location.

MGE is registered with the Department of Industrial Relations (DIR Registration # 1000016424)



H. Fred Hung, PE
President, MGE Engineering, Inc.

6-15-2020

Date

EXHIBIT 10-H2 COST PROPOSAL Page 1 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Note: Mark-ups are Not Allowed

Consultant SHN Consulting Engineers & Geologists, ☐ Prime Consultant ☒ Subconsultant ☐ 2nd Tier Subconsultant

Project No. _____ Contract No. _____ Participation Amount \$ _____ Date 6/17/2020

For Combined Rate	Fringe Benefit 145.40% + General & Administrative 32.40%	=	Combined ICR 177.8%
	OR		
For Home Office Rate	Fringe Benefit 0.00% + General & Administrative 0.00%	=	Home Office ICR 0.00%
For Field Office Rate	Fringe Benefit 0.00% + General & Administrative 0.00%	=	Field Office ICR 0.00%
	Fee	=	10%

BILLING INFORMATION

CALCULATION INFORMATION

Name/Job Title/Classification I	Hourly Billing Rates ²			Effective date of hourly rate		Actual or Avg. hourly rate ⁴	% or \$ increase	Hourly range – for Classification only
	Straight ³	To(1.5x)	To(2x)	From	To			
Matt Herman * Project Surveyor	\$ 55.87	\$ 83.80	\$ 111.74	1/1/2020	12/31/2020	\$ 50.79	0%	Not Applicable
	\$ 58.66	\$ 87.99	\$ 117.32	1/1/2021	12/31/2021	\$ 53.33	5%	
	\$ 61.60	\$ 92.39	\$ 123.19	1/1/2022	12/31/2022	\$ 56.00	5%	
	\$ 64.68	\$ 97.01	\$ 129.35	1/1/2023	12/31/2023	\$ 58.80	5%	
	\$ 67.91	\$ 101.86	\$ 135.82	1/1/2024	12/31/2024	\$ 61.74	5%	
Matt Herman * Survey Chief	\$ 55.87	\$ 83.80	\$ 111.74	1/1/2020	12/31/2020	\$ 50.79	0%	Not Applicable
	\$ 58.66	\$ 87.99	\$ 117.32	1/1/2021	12/31/2021	\$ 53.33	5%	
	\$ 61.60	\$ 92.39	\$ 123.19	1/1/2022	12/31/2022	\$ 56.00	5%	
	\$ 64.68	\$ 97.01	\$ 129.35	1/1/2023	12/31/2023	\$ 58.80	5%	
	\$ 67.91	\$ 101.86	\$ 135.82	1/1/2024	12/31/2024	\$ 61.74	5%	
Tim Couevas ** Survey Chief	\$ 30.62	\$ 45.94	\$ 61.25	1/1/2020	12/31/2020	\$ 27.84	0%	Not Applicable
	\$ 32.16	\$ 48.23	\$ 64.31	1/1/2021	12/31/2021	\$ 29.23	5%	
	\$ 33.76	\$ 50.64	\$ 67.53	1/1/2022	12/31/2022	\$ 30.69	5%	
	\$ 35.45	\$ 53.18	\$ 70.90	1/1/2023	12/31/2023	\$ 32.23	5%	
	\$ 37.22	\$ 55.84	\$ 74.45	1/1/2024	12/31/2024	\$ 33.84	5%	

Tim Couevas ** Survey Rodman	\$ 30.62	\$ 45.94	\$ 61.25	1/1/2020	12/31/2020	\$ 27.84	0%	Not Applicable
	\$ 32.16	\$ 48.23	\$ 64.31	1/1/2021	12/31/2021	\$ 29.23	5%	
	\$ 33.76	\$ 50.64	\$ 67.53	1/1/2022	12/31/2022	\$ 30.69	5%	
	\$ 35.45	\$ 53.18	\$ 70.90	1/1/2023	12/31/2023	\$ 32.23	5%	
	\$ 37.22	\$ 55.84	\$ 74.45	1/1/2024	12/31/2024	\$ 33.84	5%	
Tim Couevas ** Non-Field Technician	\$ 30.62	\$ 45.94	\$ 61.25	1/1/2020	12/31/2020	\$ 27.84	0%	Not Applicable
	\$ 32.16	\$ 48.23	\$ 64.31	1/1/2021	12/31/2021	\$ 29.23	5%	
	\$ 33.76	\$ 50.64	\$ 67.53	1/1/2022	12/31/2022	\$ 30.69	5%	
	\$ 35.45	\$ 53.18	\$ 70.90	1/1/2023	12/31/2023	\$ 32.23	5%	
	\$ 37.22	\$ 55.84	\$ 74.45	1/1/2024	12/31/2024	\$ 33.84	5%	
Tim Couevas ** Materials Testing	\$ 67.49	\$ 101.23	\$ 134.97	1/1/2020	12/31/2020	\$ 61.35	0%	Not Applicable
	\$ 70.86	\$ 106.29	\$ 141.72	1/1/2021	12/31/2021	\$ 64.42	5%	
	\$ 74.40	\$ 111.60	\$ 148.80	1/1/2022	12/31/2022	\$ 67.64	5%	
	\$ 78.12	\$ 117.18	\$ 156.24	1/1/2023	12/31/2023	\$ 71.02	5%	
	\$ 82.03	\$ 123.04	\$ 164.06	1/1/2024	12/31/2024	\$ 74.57	5%	
Stephen James ** Materials Testing	\$ 64.38	\$ 96.57	\$ 128.77	1/1/2020	12/31/2020	\$ 58.53	0%	Not Applicable
	\$ 67.60	\$ 101.40	\$ 135.20	1/1/2021	12/31/2021	\$ 61.46	5%	
	\$ 70.98	\$ 106.47	\$ 141.96	1/1/2022	12/31/2022	\$ 64.53	5%	
	\$ 74.53	\$ 111.80	\$ 149.06	1/1/2023	12/31/2023	\$ 67.76	5%	
	\$ 78.26	\$ 117.39	\$ 156.52	1/1/2024	12/31/2024	\$ 71.14	5%	
Stephen James ** Non-Field Technician	\$ 40.95	\$ 61.43	\$ 81.91	1/1/2020	12/31/2020	\$ 37.23	0%	Not Applicable
	\$ 43.00	\$ 64.50	\$ 86.00	1/1/2021	12/31/2021	\$ 39.09	5%	
	\$ 45.15	\$ 67.73	\$ 90.30	1/1/2022	12/31/2022	\$ 41.05	5%	
	\$ 47.41	\$ 71.11	\$ 94.82	1/1/2023	12/31/2023	\$ 43.10	5%	
	\$ 49.78	\$ 74.67	\$ 99.56	1/1/2024	12/31/2024	\$ 45.25	5%	
Steve Peckham ** Material Testing	\$ 74.14	\$ 111.21	\$ 148.28	1/1/2020	12/31/2020	\$ 67.40	0%	Not Applicable
	\$ 77.85	\$ 116.77	\$ 155.69	1/1/2021	12/31/2021	\$ 70.77	5%	
	\$ 81.74	\$ 122.61	\$ 163.48	1/1/2022	12/31/2022	\$ 74.31	5%	
	\$ 85.83	\$ 128.74	\$ 171.65	1/1/2023	12/31/2023	\$ 78.02	5%	
	\$ 90.12	\$ 135.18	\$ 180.24	1/1/2024	12/31/2024	\$ 81.93	5%	
Steve Peckham ** Non-Field Technician	\$ 31.64	\$ 47.45	\$ 63.27	1/1/2020	12/31/2020	\$ 28.76	0%	Not Applicable
	\$ 33.22	\$ 49.83	\$ 66.44	1/1/2021	12/31/2021	\$ 30.20	5%	
	\$ 34.88	\$ 52.32	\$ 69.76	1/1/2022	12/31/2022	\$ 31.71	5%	
	\$ 36.62	\$ 54.93	\$ 73.25	1/1/2023	12/31/2023	\$ 33.29	5%	
	\$ 38.45	\$ 57.68	\$ 76.91	1/1/2024	12/31/2024	\$ 34.96	5%	

NOTES:

1. Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
2. The cost proposal format shall not be amended.
3. Billing rate = actual hourly rate * (1+ ICR) * (1+ Fee). Indirect cost rates shall be updated on an annual basis in accordance with the consultant's annual accounting period and established by a cognizant agency or accepted by Caltrans. All costs must comply with the Federal cost principles for reimbursement.
4. For named employees and key personnel enter the actual hourly rate. For classifications only, enter the Average Hourly Rate for that classification.

EXHIBIT 10-H2 COST PROPOSAL Page 2 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Consultant SHN Consulting Engineers & Geologists, Inc. ☐ Prime Consultant ☒ Subconsultant

Project No. _____ Contract No. _____ Date 6-17-2020

SCHEDULE OF OTHER DIRECT COST ITEMS (Add additional pages as necessary)				
Description of Item	Quantity	Unit	Unit Cost	Total
Mileage	1	Mile	\$0.575	\$TBD
	1	Day	0	\$TBD
	1	Monthly	\$0	\$TBD
Subconsultant 1:				\$
Subconsultant 2:				\$
Subconsultant 3:				\$
Subconsultant 4:				\$
Subconsultant 5:				\$

Note: Add additional pages if necessary.

NOTES:

1. List other direct cost items with estimated costs. These costs should be competitive in their respective industries and supported with appropriate documentation.
2. Proposed ODC items should be consistently billed regardless of client and contract type.
3. Items when incurred for the same purpose, in like circumstance, should not be included in any indirect cost pool or in the overhead rate.
4. Items such as special tooling, will be reimbursed at actual cost with supporting documentation (invoice).
5. Items listed above that would be considered "tools of the trade" are not reimbursable as other direct cost.
6. Travel related costs should be pre-approved by the contracting agency and shall not exceed current State Department of Personnel Administration rules.
7. If mileage is claimed, the rate should be properly supported by the consultant's calculation of their actual costs for company vehicles. In addition, the miles claimed should be supported by mileage logs.
8. If a consultant proposes rental costs for a vehicle, the company must demonstrate that this is its standard procedure for all of their contracts and that they do not own any vehicles that could be used for the same purpose.
9. The cost proposal format shall not be amended. All costs must comply with the Federal cost principles.
10. Add additional pages if necessary.
11. Subconsultants must provide their own cost proposals.

EXHIBIT 10-H2 COST PROPOSAL Page 3 of 3**Certification of Direct Costs:**

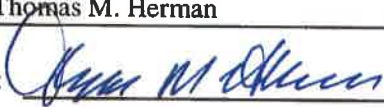
I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

7. Generally Accepted Accounting Principles (GAAP)
8. Terms and conditions of the contract
9. [Title 23 United States Code Section 112](#) - Letting of Contracts
10. [48 Code of Federal Regulations Part 31](#) - Contract Cost Principles and Procedures
11. [23 Code of Federal Regulations Part 172](#) - Procurement, Management, and Administration of Engineering and Design Related Service
12. [48 Code of Federal Regulations Part 9904](#) - Cost Accounting Standards Board (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Prime Consultant or Subconsultant Certifying:

Name: Thomas M. Herman Title *: Principal

Signature:  Date of Certification (mm/dd/yyyy): June 22, 2020

Email: therman@shn-engr.com Phone Number: 707 459-4518

Address: 335 South Main Street, Willits, CA 95490

- * An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Surveying and Materials Testing Services

**EXHIBIT 10-K CONSULTANT ANNUAL CERTIFICATION OF
INDIRECT COSTS AND FINANCIAL MANAGEMENT SYSTEM**

(Note: If a Safe Harbor Indirect Cost Rate is approved, this form is not required.)

Consultant's Full Legal Name: SHN Consulting Engineers & Geologists, Inc.

Important: Consultant means the individual or consultant providing engineering and design related services as a party of a contract with a recipient or sub-recipient of Federal assistance. Therefore, the Indirect Cost Rate(s) shall not be combined with its parent company or subsidiaries.

Indirect Cost Rate:

Combined Rate 177.80 % **OR**

Home Office Rate _____ % and Field Office Rate (if applicable) _____ %

Facilities Capital Cost of Money _____ % (if applicable)

Fiscal period *1/1/18-12/31/18

* Fiscal period is annual one year applicable accounting period that the Indirect Cost Rate was developed (not the contract period). The Indirect Cost Rate is based on the consultant's one-year applicable accounting period for which financial statements are regularly prepared by the consultant.

I have reviewed the proposal to establish an Indirect Cost Rate(s) for the **fiscal period** as specified above and have determined to the best of my knowledge and belief that:

- All costs included in the cost proposal to establish the indirect cost rate(s) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) 48, Code of Federal Regulations (CFR), Chapter 1, Part 31 (48 CFR Part 31);
- The cost proposal does not include any costs which are expressly unallowable under the cost principles of 48 CFR Part 31;
- The accounting treatment and billing of prevailing wage delta costs are consistent with our prevailing wage policy as either direct labor, indirect costs, or other direct costs on all federally-funded A&E Consultant Contracts.
- All known material transactions or events that have occurred subsequent to year-end affecting the consultant's ownership, organization, and indirect cost rates have been disclosed as of the date of this certification.

I am providing the required and applicable documents as instructed on Exhibit 10-A.

Financial Management System:

Our labor charging, job costing, and accounting systems meet the standards for financial reporting, accounting records, and internal control adequate to demonstrate that costs claimed have been incurred, appropriately accounted for, are allocable to the contract, and comply with the federal requirements as set forth in Title 23 United States Code (U.S.C.) Section 112(b)(2); 48 CFR Part 31.201-2(d); 23 CFR, Chapter 1, Part 172.11(a)(2); and all applicable state and federal rules and regulations.

Our financial management system has the following attributes:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts;
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into separate cost

accounts;

- Ability to accumulate and segregate allowable direct costs by project, contract and type of cost;
- Internal controls to maintain integrity of financial management system;
- Ability to account and record costs consistently and to ensure costs billed are in compliance with FAR;
- Ability to ensure and demonstrate costs billed reconcile to general ledgers and job costing system; and
- Ability to ensure costs are in compliance with contract terms and federal and state requirement

Cost Reimbursements on Contracts:

I also understand that failure to comply with 48 CFR Part 16.301-3 or knowingly charge unallowable costs to Federal-Aid Highway Program (FAHP) contracts may result in possible penalties and sanctions as provided by the following:

- Sanctions and Penalties - 23 CFR Part 172.11(c)(4)
- False Claims Act - Title 31 U.S.C. Sections 3729-3733
- Statements or entries generally - Title 18 U.S.C. Section 1001
- Major Fraud Act - Title 18 U.S.C. Section 1031

All A&E Contract Information:

- Total participation amount \$ 11M on all State and FAHP contracts for Architectural & Engineering services that the consultant received in the last three fiscal periods.
- The number of states in which the consultant does business is 2.
- Years of consultant's experience with 48 CFR Part 31 is 20 years.
- Audit history of the consultant's current and prior years (if applicable)
 - ☐ Cognizant ICR Audit
 - ☐ Local Gov't ICR Audit
 - ☐ Caltrans ICR Audit
 - ☐ CPA ICR Audit
 - ☐ Federal Gov't ICR Audit

I, the undersigned, certify all of the above to the best of my knowledge and belief and that I have reviewed the Indirect Cost Rate Schedule to determine that any costs which are expressly unallowable under the Federal cost principles have been removed and comply with Title 23 U.S.C. Section 112(b)(2), 48 CFR Part 31, 23 CFR Part 172, and all applicable state and federal rules and regulations. I also certify that I understand that all documentation of compliance must be retained by the consultant. I hereby acknowledge that costs that are noncompliant with the federal and state requirements are not eligible for reimbursement and must be returned to Caltrans.

Name**: Brenda Sigler

Title**: CFO

Signature: 

Date of Certification (mm/dd/yyyy): 8/12/19

Email**: bsigler@shn-engr.com

Phone Number**: 707-441-8855

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President, a Chief Financial Officer, or equivalent, who has authority to represent the financial information used to establish the indirect cost rate.

Note: Both prime and subconsultants as parties of a contract must complete their own Exhibit 10-K forms. Caltrans will not process local agency's invoices until a complete Exhibit 10-K form is accepted and approved by Caltrans Audits and Investigations.

Distribution:

- 1) Original - Local Agency Project File
- 2) Copy - Consultant
- 3) Copy - Caltrans Audits and Investigations



CONSULTING ENGINEERS & GEOLOGISTS, INC.

812 W. Wabash • Eureka, CA 95501-2138 • 707/441-8855 • FAX: 707/441-8877 • shninfo@shn-engr.com

Prevailing Wage Policy

SHN Consulting Engineers & Geologists' prevailing wage policy is as follows:

Covered Services-

- Building/Construction Inspector and Field Soils and Material Tester
- Field Surveyor

Delta Payments-

Wage Deltas are defined as the difference between an employee's rate of pay and the Basic Hourly Rate for included prevailing wage job classifications as listed in the applicable Wage Determination for the location of the work.

Similarly, Fringe Deltas are the difference between the accrued values of fringe benefits provided to SHN employees and the applicable Wage Determination fringe benefits. The hourly value of SHN provided fringe benefits for health insurance and pension are calculated by the actual costs paid by SHN divided by the hours each employee works to earn them. Holiday/vacation benefits are based on the hours an employee is anticipated to work and their rate of pay.

Both Wage and Fringe deltas are paid directly to employees as an increase in their base rate of pay. Wage Deltas are increased to reflect overtime/double time/holiday pay; Fringe Deltas are not increased for overtime/double time/holiday pay.

Accounting Methods for Prevailing Wage Deltas-

Both Wage and Fringe deltas are accrued as direct labor payroll costs and paid to employees biweekly.

Because the deltas are paid as direct labor they lower SHN's indirect cost rate. Deltas are not tracked separately within SHN's accounting software.

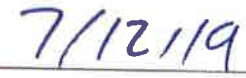

Michael K. Foget, CEO
Date

EXHIBIT 10-H2 COST PROPOSAL Page 1 of 3
SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Note: Mark-ups are Not Allowed

Consultant **DCM Group**

☐

Prime Consultant

☒

Subconsultant

Project No. _____

Contract No. _____

Participation Amount \$ _____

TBD

Date 6/15/2020

For Combined Rate	Fringe Benefit	% +	General & Administrative	%	=	Combined ICR	=
OR							
For Home Office Rate	Fringe Benefit	29.96% +	General & Administrative	44.36%	=	Home Office ICR	74.3%
For Field Office Rate	Fringe Benefit	0.00% +	General & Administrative	0.00%	=	Field Office ICR	0.0%
					=	Fee	10%

BILLING INFORMATION

Name/Job Title/Classification ¹		Hourly Billing Rates ²		Effective date of hourly rate		Actual or Avg. hourly rate ⁴	% or \$ increase	Hourly range – for Classification only
		Straight ³	To(1.5x)	To(2x)	From	To		
Victoria Castaneda** Project Manager		\$ 153.40	NA	NA	7/1/2019	12/31/2019	\$ 80.00	0%
		\$ 158.00	NA	NA	1/1/2020	12/31/2020	\$ 82.40	3%
		\$ 162.74	NA	NA	1/1/2021	12/31/2021	\$ 84.87	3%
		\$ 167.63	NA	NA	1/1/2022	12/31/2022	\$ 87.42	3%
		\$ 172.65	NA	NA	1/1/2023	12/31/2023	\$ 90.04	3%
Valerie Ramirez Labor Compliance Officer		\$ 51.77	NA	NA	7/1/2019	12/31/2019	\$ 27.00	0%
		\$ 53.33	NA	NA	1/1/2020	12/31/2020	\$ 27.81	3%
		\$ 54.93	NA	NA	1/1/2021	12/31/2021	\$ 28.64	3%
		\$ 56.57	NA	NA	1/1/2022	12/31/2022	\$ 29.50	3%
		\$ 58.27	NA	NA	1/1/2023	12/31/2023	\$ 30.39	3%
Sophia Catabran Document Management		\$ 40.27	\$ 60.40	\$ 80.54	7/1/2019	12/31/2019	\$ 21.00	0%
		\$ 41.48	\$ 62.21	\$ 82.95	1/1/2020	12/31/2020	\$ 21.63	3%
		\$ 42.72	\$ 64.08	\$ 85.44	1/1/2021	12/31/2021	\$ 22.28	3%
		\$ 44.00	\$ 66.00	\$ 88.00	1/1/2022	12/31/2022	\$ 22.95	3%
		\$ 45.32	\$ 67.98	\$ 90.64	1/1/2023	12/31/2023	\$ 23.64	3%

* = Exempt Employee ** = Non- Exempt Employee

NOTES:

- Key personnel must be marked with an asterisk (*) and employees that are subject to prevailing wage requirements must be marked with two asterisks (**). All costs must comply with the Federal cost principles. Subconsultants will provide their own cost proposals.
- The cost proposal format shall not be amended.
- Billing rate = actual hourly rate * (1+ ICR) * (1+ Fee). Indirect cost rates should be based on the consultant's annual accounting period, established by a cognizant agency or accepted by Caltrans. All costs must comply with the Federal cost principles for reimbursement.
- For named employees and key personnel enter the actual hourly rate. For classifications only, enter the Average Hourly Rate for that classification.

EXHIBIT 10-H2 Cost Proposal Page 2 of 3

SPECIFIC RATE OF COMPENSATION (USE FOR ON-CALL OR AS-NEEDED CONTRACTS)
(CONSTRUCTION ENGINEERING AND INSPECTION CONTRACTS)

Consultant DCM Group ☐ Prime Consultant ☒ Subconsultant

Project No. _____ Contract No. _____ Date 6/15/2020

SCHEDULE OF OTHER DIRECT COST ITEMS (Add additional pages as necessary)				
Description of Item	Quantity	Unit	Unit Cost	Total
Mileage Costs	1	Mile	0.58	\$TBD
				\$TBD
				\$TBD
Subconsultant 1:				\$TBD
Subconsultant 2:				\$
Subconsultant 3:				\$
Subconsultant 4:				\$
Subconsultant 5:				\$

Note: Add additional pages if necessary.

NOTES:

1. List other direct cost items with estimated costs. These costs should be competitive in their respective industries and supported with appropriate documentation.
2. Proposed ODC items should be consistently billed regardless of client and contract type.
3. Items when incurred for the same purpose, in like circumstance, should not be included in any indirect cost pool or in the overhead rate.
4. Items such as special tooling, will be reimbursed at actual cost with supporting documentation (invoice).
5. Items listed above that would be considered "tools of the trade" are not reimbursable as other direct cost.
6. Travel related costs should be pre-approved by the contracting agency and shall not exceed current State Department of Personnel Administration rules.
7. If mileage is claimed, the rate should be properly supported by the consultant's calculation of their actual costs for company vehicles. In addition, the miles claimed should be supported by mileage logs.
8. If a consultant proposes rental costs for a vehicle, the company must demonstrate that this is its standard procedure for all of their contracts and that they do not own any vehicles that could be used for the same purpose.
9. The cost proposal format shall not be amended. All costs must comply with the Federal cost principles.
10. Add additional pages if necessary.
11. Subconsultants must provide their own cost proposals.

EXHIBIT 10-H2 COST PROPOSAL Page 3 of 3

Certification of Direct Costs:

I, the undersigned, certify to the best of my knowledge and belief that all direct costs identified on the cost proposal(s) in this contract are actual, reasonable, allowable, and allocable to the contract in accordance with the contract terms and the following requirements:

7. Generally Accepted Accounting Principles (GAAP)
8. Terms and conditions of the contract
9. [Title 23 United States Code Section 112](#) - Letting of Contracts
10. [48 Code of Federal Regulations Part 31](#) - Contract Cost Principles and Procedures
11. [23 Code of Federal Regulations Part 172](#) - Procurement, Management, and Administration of Engineering and Design Related Service
12. [48 Code of Federal Regulations Part 9904 - Cost Accounting Standards Board](#) (when applicable)

All costs must be applied consistently and fairly to all contracts. All documentation of compliance must be retained in the project files and be in compliance with applicable federal and state requirements. Costs that are noncompliant with the federal and state requirements are not eligible for reimbursement.

Prime Consultant or Subconsultant Certifying:

Name: Victoria Castaneda Title *: Principal

Signature : Victoria Castaneda Date of Certification (mm/dd/yyyy): 6/15/2020

Email: victoria@dcmgrp.com Phone Number: 916.837.8111

Address: 333 University Avenue Suite 200, Sacramento, CA 95825

- * An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President or a Chief Financial Officer, or equivalent, who has authority to represent the financial information utilized to establish the cost proposal for the contract.

List services the consultant is providing under the proposed contract:

Labor Compliance Services

**EXHIBIT 10-K CONSULTANT ANNUAL CERTIFICATION OF
INDIRECT COSTS AND FINANCIAL MANAGEMENT SYSTEM**

(Note: If a Safe Harbor Indirect Cost Rate is approved, this form is not required.)

Consultant's Full Legal Name: DCM Group

Important: Consultant means the individual or consultant providing engineering and design related services as a party of a contract with a recipient or sub-recipient of Federal assistance. Therefore, the Indirect Cost Rate(s) shall not be combined with its parent company or subsidiaries.

Indirect Cost Rate:

Combined Rate 74.32 % **OR**

Home Office Rate _____ % and Field Office Rate (if applicable) _____ %

Facilities Capital Cost of Money _____ % (if applicable)

Fiscal period * 1/1/18-12/31/18

* Fiscal period is annual one year applicable accounting period that the Indirect Cost Rate was developed (not the contract period). The Indirect Cost Rate is based on the consultant's one-year applicable accounting period for which financial statements are regularly prepared by the consultant.

I have reviewed the proposal to establish an Indirect Cost Rate(s) for the **fiscal period** as specified above and have determined to the best of my knowledge and belief that:

- All costs included in the cost proposal to establish the indirect cost rate(s) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) 48, Code of Federal Regulations (CFR), Chapter 1, Part 31 (48 CFR Part 31);
- The cost proposal does not include any costs which are expressly unallowable under the cost principles of 48 CFR Part 31;
- The accounting treatment and billing of prevailing wage delta costs are consistent with our prevailing wage policy as either direct labor, indirect costs, or other direct costs on all federally-funded A&E Consultant Contracts.
- All known material transactions or events that have occurred subsequent to year-end affecting the consultant's ownership, organization, and indirect cost rates have been disclosed as of the date of this certification.

I am providing the required and applicable documents as instructed on Exhibit 10-A.

Financial Management System:

Our labor charging, job costing, and accounting systems meet the standards for financial reporting, accounting records, and internal control adequate to demonstrate that costs claimed have been incurred, appropriately accounted for, are allocable to the contract, and comply with the federal requirements as set forth in Title 23 United States Code (U.S.C.) Section 112(b)(2); 48 CFR Part 31.201-2(d); 23 CFR, Chapter 1, Part 172.11(a)(2); and all applicable state and federal rules and regulations.

Our financial management system has the following attributes:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts;
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into separate cost

accounts;

- Ability to accumulate and segregate allowable direct costs by project, contract and type of cost;
- Internal controls to maintain integrity of financial management system;
- Ability to account and record costs consistently and to ensure costs billed are in compliance with FAR;
- Ability to ensure and demonstrate costs billed reconcile to general ledgers and job costing system; and
- Ability to ensure costs are in compliance with contract terms and federal and state requirement

Cost Reimbursements on Contracts:

I also understand that failure to comply with 48 CFR Part 16.301-3 or knowingly charge unallowable costs to Federal-Aid Highway Program (FAHP) contracts may result in possible penalties and sanctions as provided by the following:

- Sanctions and Penalties - 23 CFR Part 172.11(c)(4)
- False Claims Act - Title 31 U.S.C. Sections 3729-3733
- Statements or entries generally - Title 18 U.S.C. Section 1001
- Major Fraud Act - Title 18 U.S.C. Section 1031

All A&E Contract Information:

- Total participation amount \$ 132,917.81 on all State and FAHP contracts for Architectural & Engineering services that the consultant received in the last three fiscal periods.
- The number of states in which the consultant does business is 0.
- Years of consultant's experience with 48 CFR Part 31 is 3.
- Audit history of the consultant's current and prior years (if applicable)
 - ☐ Cognizant ICR Audit
 - ☐ Local Gov't ICR Audit
 - ☐ Caltrans ICR Audit
 - ☐ CPA ICR Audit
 - ☐ Federal Gov't ICR Audit

I, the undersigned, certify all of the above to the best of my knowledge and belief and that I have reviewed the Indirect Cost Rate Schedule to determine that any costs which are expressly unallowable under the Federal cost principles have been removed and comply with Title 23 U.S.C. Section 112(b)(2), 48 CFR Part 31, 23 CFR Part 172, and all applicable state and federal rules and regulations. I also certify that I understand that all documentation of compliance must be retained by the consultant. I hereby acknowledge that costs that are noncompliant with the federal and state requirements are not eligible for reimbursement and must be returned to Caltrans.

Name**: Victoria Castaneda Title**: Principal
Signature: [Signature] Date of Certification (mm/dd/yyyy): 3/18/20
Email**: victoria@dcmgpr.com Phone Number**: 916 837-8111

**An individual executive or financial officer of the consultant's or subconsultant's organization at a level no lower than a Vice President, a Chief Financial Officer, or equivalent, who has authority to represent the financial information used to establish the indirect cost rate.

Note: **Both prime and subconsultants as parties of a contract must complete their own Exhibit 10-K forms.** Caltrans will not process local agency's invoices until a complete Exhibit 10-K form is accepted and approved by Caltrans Audits and Investigations.

Distribution: 1) Original - Local Agency Project File
2) Copy - Consultant
3) Copy - Caltrans Audits and Investigations



333 University Avenue, Suite 200, Sacramento, CA 95825
(PH) 916-443-2100 (Fax) 916-443-2130

August 16, 2019,

To Whom It May Concern:

DCM Group's work classifications is not subject to the payment of prevailing wages
In accordance by the State of California Department of Industrial Relations.

Should you have any questions, please contact me at 916.837.8111.

Sincerely,

Victoria Castaneda

Victoria Castaneda Principal/Owner