

Circular 2010-03: Use of Home Office and Field Office Overhead Rates

For those projects that require or utilize offices, facilities, or other infrastructure provided by or paid for by INDOT, field office overhead rates will be used for contracting, estimating and billing purposes. To further assist in determining what would constitute a field office or project office, INDOT will follow the guidelines established in the *Uniform Audit and Accounting Guide*, Section 5.6 and FAR 48 CFR 31.203 (f) in recognizing and applying this policy. (See below) Consultants are required to represent the use of these separate field rates at the time of contract negotiation, with the scope of the work being defined and communicated in an RFP (Request for Proposal). Field office overhead rates will not apply in cases where consulting staff are working less than full time on a field project or multiple field projects.

Per FAR 48 CFR 31.203(f): "Separate cost groupings for costs allocable to offsite locations may be necessary to permit equitable distribution of costs on the basis of the benefits accruing to the several cost objectives." In some cases, projects involve engineering consultants working in State DOT provided office(s) for an extended period of time. The life of the field office will be determined by the duration of the project.

If a consulting firm's accounting policy governing field rate accounting is more restrictive than that of INDOT, then the agency will require the use of that firm's policy in executing the contract. Once established, this field rate must be consistently applied throughout the project life and across all business segments and disciplines.

Specific questions or concerns in the implementation of this policy should be addressed to Mr. Mark A. Ratliff, director of the Office of Economics and External Audit.