

NEW YORK STATE  
DEPARTMENT OF TRANSPORTATION

DIRECT COST REPORT

[REDACTED]

<u>CONTRACT</u> <u>NO.</u>	<u>CAPITAL</u> <u>PROJECT</u>	<u>PIN</u>	<u>ESTIMATE</u> <u>NOS.</u>	<u>PERIOD</u>	<u>REPORT</u> <u>TYPE</u>
[REDACTED]	[REDACTED]	[REDACTED]	01-28	10/09/15-08/02/18	FINAL

[REDACTED]

**NEW YORK STATE  
DEPARTMENT OF TRANSPORTATION**

[REDACTED]

**DIRECT COST REPORT  
PIN [REDACTED]  
CONTRACT NO. [REDACTED]  
CAPITAL PROJECT [REDACTED]**

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[REDACTED]

**INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES**

The Suffolk County Department of Public Works  
335 Yaphank Avenue  
Yaphank, New York 11980

Re: PIN 076033

We have performed the procedures enumerated below, which were agreed to by the Suffolk County Department of Public Works (SCDPW) and New York State Department of Transportation (NYSDOT), solely to assist NYSDOT to determine if the costs and fees submitted by [REDACTED] (Consultant) under Contract No. [REDACTED], Capital Project [REDACTED] for the period October 9, 2015 through August 2, 2018, which is the responsibility of those parties specified in the report, are allowable based on contract provisions, the Federal Acquisition Regulations (48 CFR, Part 31) (FAR) and the policies prescribed by NYSDOT. The procedures were performed in accordance with the attestation standards issued by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of these procedures either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Planning

- a. Ascertain that the original contract, additional service authorizations, maximum salary rates, overhead rates and other pertinent documents are complete and were in order.

Results: Relevant documents were reviewed and were found to be complete and in order.

- b. Review audit history of the Consultant from the Suffolk County Department of Public Works files.

Results: There were no significant audit findings that could change the risk profile.

## **The Suffolk County Department of Public Works**

- c. Request the Regional Local Project Liaison to provide a summary of billings and ascertained that the invoices and supporting documents are on file.

Results: The Regional Local Project Liaison (the Suffolk County Department of Public Works' Chief Accountant) submitted the summary of billings. All related invoices and supporting documentation were made available.

- d. Obtain a copy of and review the project manager's acceptance letter.

Results: We were provided with a copy of Form NYS 1446LA – Final Acceptance of Locally Administered Federal Aid Project.

### **2. Summary of Billings**

Compare the summary of billings prepared by the Consultant with the related payments.

Results: The Suffolk County Department of Public Works paid for the contract and is in the process of being reimbursed by NYSDOT. The Consultant's billing summary and the payments made by the Suffolk County Department of Public Works respectively showed an amount of \$855,635.94.

### **3. Sample Selection**

Review all invoices for testing of direct technical salaries (DTS) and direct non-salary costs (DNSC).

Results: Result of testing is discussed in detail in the succeeding sections.

### **4. Direct Technical Salaries**

- a. Determine whether the titles or positions of employees billed as direct labor conformed with the titles or positions in the salary schedule per contract.
- b. Determine that the salary rates billed by the Consultant for each title did not exceed the maximum hourly salary rates specified in the contract.
- c. Determine that the number of hours billed as direct labor was supported by approved time sheets.

Results: For invoices tested –

- (1) The titles billed conformed with the titles in the salary schedule per contract.
- (2) Salary rates billed did not exceed maximum salary rates per contract.
- (3) The number of hours billed were traced to approved time sheets.

### **5. Direct Non-salary Costs (Expendable and non-expendable)**

Determine if costs billed by the Consultant were in accordance with the contract provision.

## **The Suffolk County Department of Public Works**

Results: Charges claimed were in accordance with contract provision and duly supported.

### **6. Overhead**

Determine the recommended overhead allowance. Compare the recommended amount to the amount billed and adjusted, as required.

Results: The Consultant's overhead costs were based on the application of appropriate overhead rates.

### **7. Fixed Fees**

Determine that the billed fixed fees did not exceed the amount provided for in the contract and was computed in accordance with the provisions of the contract.

Results: The fixed fees claimed were billed in accordance with contract provision.

### **8. Specific Hourly Rates (SHR)**

- a. Determine whether the titles or positions of employees billed conform to the titles or positions in the salary schedule per contract.
- b. Determine that the salary rates billed by the Consultant for each title did not exceed the maximum hourly salary rates specified in the contract.
- c. Determine that the number of hours billed was supported by approved time sheets.
- d. Determine that the total charges did not exceed maximum allowable.

Results: For invoices tested –

- (1) The titles billed conformed with the titles in the salary schedule per contract.
- (2) Salary rates billed did not exceed maximum salary rates per contract.
- (3) The number of hours billed were traced to time sheets.
- (4) Total charges did not exceed the maximum amount allowable.

### **9. Claims by Sub-consultants**

Determine whether sub-consultant billings complied with the contract provisions including maximum overhead rates and fixed fee.

Results. For sub-consultant invoices tested –

- (1) Hourly rates billed did not exceed the maximum hourly rate approval.
- (2) The number of hours billed were traced to approved time sheets.
- (3) It was determined sub-consultant overhead rate and fixed fees were billed properly.

## The Suffolk County Department of Public Works

### 10. Efficiency Incentive Payment

Determine whether Efficiency Incentive Payments (EIP) billed by the Consultant and sub-consultants were in accordance with contract provisions.

Results: No EIP was billed.

### 11. Maximum Amount Payable

Determine whether the total costs billed were within the maximum amount payable.

Results: The Consultant was paid \$855,635.94. Per the original contract and one additional service authorization, the maximum amount payable was \$858,580.02. The original contract was for \$560,013 and was amended to include an additional \$298,567.02, due to additional services that were approved prior to being performed. Total submitted costs were within the maximum amount payable.

### 12. Discussion of Findings

Results: No findings were noted.

Accordingly, the agreed upon procedures disclosed adjustments as presented in Schedule A — Schedule of Costs and Fees Billed.

We were not engaged to, and did not perform an audit, the objective of which is the expression of an opinion on the Schedule of Costs and Fees Billed of [REDACTED] for Contract No. [REDACTED] Capital Project [REDACTED]. Accordingly, we do not express such an opinion. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Suffolk County Department of Public Works, the Suffolk County Department of Audit and Control and the NYSDOT, Contract Audit Bureau and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

[REDACTED]

## New York State Department of Transportation

PIN [REDACTED]

Contract No.: [REDACTED]

Capital Project [REDACTED]

**SCHEDULE OF COSTS AND FEES BILLED**  
**For the period October 9, 2015 through August 2, 2018**

**COST SCHEDULE**

<u>Cost Elements</u>	<u>As Submitted</u>	<u>Adjustments</u>	<u>As Recommended</u>
<b>Construction Inspection and Support Services</b>			
Direct Technical Salary	296,658.98	-	296,658.98
Overhead	332,258.05	-	332,258.05
Overtime	91.90	-	91.90
Fixed Fee	75,481.07	-	75,481.07
<b>Total Construction Inspection and Support Services</b>	<b>704,490.00</b>	-	<b>704,490.00</b>
<b>Sub-consultants (CSM Engineering, PC)</b>			
Direct Technical Salary	75,774.75	-	75,774.75
Overhead	49,253.59	-	49,253.59
Overtime	284.00	-	284.00
Fixed Fee	17,503.97	-	17,503.97
<b>Total Sub-consultants</b>	<b>142,816.31</b>	-	<b>142,816.31</b>
Direct Non-Salary Costs (Expendable)	8,329.63	-	8,329.63
Direct Non-Salary Costs (Non-Expendable)	-	-	-
<b>Total Direct Non-Salary Costs</b>	<b>8,329.63</b>	-	<b>8,329.63</b>
Billing limit adjustment	-	-	-
<b>SUB-TOTAL</b>	<b>855,635.94</b>	-	<b>855,635.94</b>
<b>Maximum Amount Payable (MAP)</b>			<b>858,580.02</b>

## New York State Department of Transportation

PIN [REDACTED]

Contract No.: [REDACTED]

Capital Project [REDACTED]

**SCHEDULE OF COSTS AND FEES BILLED**  
**For the period October 9, 2015 through August 2, 2018**

**Engineering and Construction Support Services**

<u>Period Covered (FYE)</u>	<u>Estimate No.</u>	<u>Adjusted DTS (*)</u>	<u>Applied Rate (Note 3)</u>	<u>Adjusted Overhead</u>
12/31/2015	01	530.60	112%	594.27
12/31/2016	02-11	128,769.15	112%	144,221.45
12/31/2017	12-23	148,852.48	112%	166,714.77
12/31/2018	24-28	18,506.75	112%	20,727.56
<b>Total</b>		<b>296,658.98</b>		<b>332,258.05</b>

(\*) DTS: Direct Technical Salaries

**Sub-consultant:** [REDACTED]

<u>Period Covered (FYE)</u>	<u>Estimate No.</u>	<u>Adjusted DTS (*)</u>	<u>Applied Rate (Note 3)</u>	<u>Adjusted Overhead</u>
12/31/2016	07-11	26,607.25	65.00%	17,294.71
12/31/2017	12-21	49,167.50	65.00%	31,958.88
<b>Total</b>		<b>75,774.75</b>		<b>49,253.59</b>

(\*) DTS: Direct Technical Salaries

New York State Department of Transportation

PIN [REDACTED]

Contract No.: [REDACTED]

Capital Project [REDACTED]

NOTES OF SCHEDULE

1. Background

As required by the New York State Department of Transportation (NYSDOT), cost Reimbursements paid under Contract No. [REDACTED], Capital Project [REDACTED] have been subjected to agreed-upon procedures by [REDACTED]

Contract No. C009045, Capital Project 5123.311 was a Specific Hourly Rate (SHR) agreement.

The agreement covers the engineering services in conjunction with construction support and construction inspection for [REDACTED]

2. Basis of Accounting and Presentation

The determination of costs submitted by [REDACTED] (Consultant) under Contract No. [REDACTED] Capital Project [REDACTED] with the Suffolk County Department of Public Works was the accrual basis of accounting.

The accompanying Schedule of Billed Costs and Fees was prepared in conformity with policies prescribed by NYSDOT under the above-mentioned contract and between the Suffolk County Department of Public Works and the Consultant. It is not intended to be a full financial statement presentation in conformity with accounting principles generally accepted in the United States of America. These accounting practices and policies provide guidance in determining reimbursable costs under cost reimbursement type of contracts and include definitions of reasonableness, allocability and allowability of costs.

3. Overhead Rates

The maximum rates provided in the contract were based on the original and one additional service authorization and include the type of rate to be used (e.g. inspection or support).

## New York State Department of Transportation

PIN [REDACTED]

Contract No.: [REDACTED]

Capital Project [REDACTED]

NOTES OF SCHEDULE

Following are the overhead rates used in computing the applied rate:

Maximum

			<u>Maximum Overhead Rates</u>		
<u>Agreement</u>	<u>Funds Utilized</u>	<u>Estimate No.</u>	<u>Maximum Allowed Payment</u>	<u>Engineering and Construction Support Services</u>	<u>Sub-consultant: CSM Engineering, P.C.</u>
Original	Up to	[REDACTED]	560,013.00	112.00%	65.00%
ASA1	Up to	[REDACTED]	298,567.02	112.00%	65.00%

(\*) N/A: Not Applicable

Submitted/Audited

				<u>Actual Overhead Rates</u>	
<u>Fiscal Y/E</u>	<u>PIN</u>	<u>Estimate No.</u>	<u>Type</u>	<u>Engineering and Construction Support Services</u>	<u>Sub-consultant: CSM Engineering, PC</u>
12/31/2015	[REDACTED]	01	Submitted	112.00%	N/A
12/31/2016		02-11	Submitted	112.00%	65.00%
12/31/2017		12-23	Submitted	112.00%	65.00%
12/31/2018		24-28	Submitted	112.00%	N/A

(\*) N/A: Not Applicable

## 4. Project Identification Number

The Project Identification Number (PIN) for this contract and the distribution of billed costs and fee per PIN are as follows:

<u>PIN</u>	<u>As Submitted</u>	<u>Adjustments</u>	<u>As Recommended</u>
[REDACTED]	855,635.94	-	855,635.94
Total	855,635.94	-	855,635.94