



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER


Department of Transportation and Public Facilities

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TO: Distribution

DATE: July 6, 2017

FROM: Amanda Holland 
Administrative Services Director

SUBJECT: FY 2018 Indirect Cost
Rate Agreement Rates - Updated

The Indirect Cost Rate Agreement (ICRA) for 2018 has been submitted for approval to the Federal Highway Administration.

Per discussions, certain related cost pool have been combined to produce a single rate for Federal and State projects for the highways projects and the airport projects the rates proposed for FY2018

When approved the rates listed below will be used to assess ICRA charges against capital project expenditures processed on or after July 1, 2017.

Federal & State Highway Projects	4.44%
Federal & State Airport Projects	4.23%
Public Facilities CIP Projects	.30%
Harbor CIP Projects	1.00%
All other CIP Projects	1.42%

These rates could be subject to adjustment if there are any major changes in the 2018 budget for salaries and benefits, or other unforeseen costs.

Unique ICRA rates on general funded pass-through projects must be requested on an individual basis. Justification must demonstrate that there is no department oversight or ultimate financial responsibility and DOT&PF involvement is limited to basically writing a check. Requests for unique rates must be submitted for each project impacted and the submission must be through me to the Commissioner.

The rates currently in place will continue to be assessed against capital project expenditures processed through June 30, 2017. Current rates are:

Federal Highway Project	4.96%
State Highway Projects	4.96%
Federal Airport Project	4.87%
State Airport Projects	4.87%

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Public Facilities CIP Projects	1.02%
Harbor CIP Projects	3.97%
All other CIP Projects	4.99%

These rates are assessed on total project costs. At the end of each week, total project expenditures for that week are determined and multiplied by the appropriate rate. The result is charged to each project each Friday following the direct expenditures.

Please let me know if you have any questions.

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