



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

**Alaska Division**

March 11, 2019

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In Reply Refer To:  
ADMS 34-1

Ms. Sunny Haight  
Deputy Director, Administrative Services Division  
Alaska Department of Transportation and Public Facilities  
P.O. Box 112500  
Juneau, Alaska 99811-2500

Dear Ms. Haight:

We have reviewed the Department of Transportation and Public Facilities (DOT&PF) request to revise the labor rate and indirect cost rate proposals for State Fiscal Year 2019, submitted with your March 8, 2019 letter. The rates have been reviewed by the DOT&PF Chief of Internal Review and found to be compliant with applicable Federal regulations.

A review of the proposal to revise the rate was conducted with assistance from the FHWA Resource Center. The recommendations proposed have been addressed in your letter. Due to the immateriality of Recommendation 2: *DOT&PF should analyze their legal costs to ensure that any legal costs not associated with a Federal-aid project be excluded from cost pools as unallowable*; it is understood that DOT&PF will incorporate any necessary exclusions of costs as a prior period adjustment to the FY2020 ICAP rate calculation.

We approve the DOT&PF calculated rates, not to exceed, for the period of July 1, 2018 to June 30, 2019. An agreement has been prepared to document the approved indirect cost and labor rates for use on Federal projects; two signed originals are enclosed. Please sign both agreement forms and return one executed original to our office.

If there are any questions, please contact Julie Jenkins, Financial Manager, at 907-586-7476.

Sincerely,

Sandra A. Garcia-Aline  
Division Administrator

Enclosure: ICAP Labor Rate Agreement  
AK\_ICAP Methodology Review

cc: John MacKinnon, Commissioner, DOT&PF  
Mary Siroky, Deputy Commissioner, DOT&PF