

**EXHIBIT 4**  
**ATTACHMENT A**

**SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT**

**COST DISCLOSURE STATEMENT (CDS)**

**A. COMPANY BACKGROUND**

1. Company Name: \_\_\_\_\_  
Street Address: \_\_\_\_\_  
City, State, Zip: \_\_\_\_\_
  
2. Official Company Contact for Cost and Audit Matters:  
  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Telephone No. \_\_\_\_\_ Email \_\_\_\_\_
  
3. List the address of your firm's home office and all other offices, and indicate by an \* the location(s) that will perform on the BART agreement; also, identify the responsible manager for each office.  
  
Home Office: Manager: \_\_\_\_\_  
Other Offices: Manager: \_\_\_\_\_  
Manager: \_\_\_\_\_  
\_\_\_\_\_
  
4. On a separate sheet, list all principals/partners of the Firm, or alternatively, identify those individuals that reside at the local/regional offices of the Firm.
  
5. Firm's Fiscal Year Ending Date: \_\_\_\_\_
  
6. List on a separate sheet, all prior and current agreements that your company has with BART, either as a part of a joint venture or under a prime or subcontract. If work was performed as a subconsultant, list the prime contractor and the BART prime contract number. Also note whether the contract was performed on a cost reimbursable, or fixed price basis as well as any details as to what fees were paid (i.e. fixed fee, incentive fees, percentage fees, etc.). For each contract list the value of the contract as well as the fee terms.

**B. COST PRINCIPLES**

1. In addition to specific agreement requirements, the District will use the following for determining the allowability of certain costs for reimbursement.
  - Federal Acquisition Regulations (herein called "FAR"), 48 CFR Part 31
  - Cost Accounting Standards (herein called "CAS"), 48 CFR Part 30

Does your firm have a working knowledge of these materials? \_\_\_\_\_

Do your employees have copies of these materials? \_\_\_\_\_
  
2. In order to evaluate your firm's compliance with the above principles, please answer the following questions, complete the schedules and attach all requested information.
  - a. Does your firm have federal government contracts? \_\_\_\_\_

- b. Was your proposed indirect cost rate audited during the past year by a federal agency (sometimes referred to as "cognizant agency"), any other governmental entity, or a CPA firm? \_\_\_\_\_ If yes, provide a copy of the audit report(s) and the resulting rate agreements, if any. Also, complete the following: (Identify all reports)

Audit Organization \_\_\_\_\_  
 Period of Audit \_\_\_\_\_ Report Date \_\_\_\_\_  
 Scope of Audit \_\_\_\_\_

Audit Organization \_\_\_\_\_  
 Period of Audit \_\_\_\_\_ Report Date \_\_\_\_\_  
 Scope of Audit \_\_\_\_\_

**C. DESCRIPTION OF COST ACCUMULATION AND BILLING PROCEDURES**

1. On what basis does your firm maintain its accounting records? Accrual \_\_\_\_\_ Cash \_\_\_\_\_

If on a cash basis, are steps taken to properly allocate expenditures that benefit more than one fiscal year? \_\_\_\_\_ Is any allocation procedure contained in a written procedure? \_\_\_\_\_ If written, please attach a copy.

2. Briefly describe your firm's system for accumulating and billing project costs by answering all of the following questions. (Provide separate attachments as necessary or required)

a. **DIRECT LABOR**

The CONSULTANT and each subconsultant will be compensated for the services of its personnel on the basis of reasonable, actual paid Direct Labor Costs (herein called "DLC") exclusive of any fringe benefits or overheads.

DLC must also exclude principal or owner time dedicated to the general operation of the business. DLC must also exclude time associated which BART has identified as being allowable only to the extent that they are (i) specific classifications of DLC identified in the Agreement or Work Plan as may be the case or, (ii) are not associated with specific activities that BART has identified as being reimbursable on a basis other than as a direct cost. (See generally Articles I and IV of Exhibit 2 and Article 3.0 of Exhibit 1 to this RFP.)

The hourly rates of temporary or contract personnel which are classified as non-employees cannot be calculated as part of DLC, but must be treated as an Other Direct Cost (herein called "ODC"; see generally Article III of Exhibit 2 to this RFP).

Similarly, the hourly rates of subconsultants cannot be calculated as part of DLC, but must be treated as a Subcontracted Direct Cost (herein called "SDC"; see generally Article II of Exhibit 2 to this RFP).

Therefore, with respect to direct labor charges by your firm:

- 1) Your firm must fully document all time spent by Principals and employees and charged to BART projects. BART requires that all labor charges be identifiable to the nearest half-hour and specify what activity or task is being performed. (See generally Article 1.0 of Exhibit I to this RFP.)

- a) Does your firm have a time sheet signed by the employee and verified in writing by the immediate supervisor? \_\_\_\_\_

- b) Does the time sheet record all time both direct and indirect? \_\_\_\_\_
  - c) Are controls in existence to ensure that DLC are relevant to the project scope? \_\_\_\_\_ Are any such controls formalized in written procedures? \_\_\_\_\_
- 2) How many hours in your firm's normal workday? \_\_\_\_\_ hours
  - 3) BART normally does not participate in overtime premium for direct labor personnel. Has your firm made provisions to exclude overtime premium and unpaid overtime from BART billings? \_\_\_\_\_
  - 4) Does your firm have a compensation policy for the classifications of labor proposed for these services? \_\_\_\_\_ If so, please attach a copy.
    - a) Does your firm have guidelines for Salary Administration, i.e. the range of annual reviews, or salary adjustments? \_\_\_\_\_ If so, please attach a copy and indicate the average adjustment for the last three years.
    - b) Does your firm have any individual incentive compensation plans including, but not limited to bonuses, commissions or profit sharing plans? If so please attach a copy of each.
  - 5) BART does not allow payment for uncompensated labor costs. Does your firm have procedures to ensure that uncompensated labor is not billed to BART projects? \_\_\_\_\_
  - 6) If your firm is a partnership/sole proprietorship, does your accounting system use a drawing account to record all compensation to the owner(s)? \_\_\_\_\_
  - 7) Does your firm hire professionals on a temporary basis to work on specific projects, rather than on a continuous employment relationship? \_\_\_\_\_
    - a) How many are currently working for your firm? \_\_\_\_\_
    - b) Who are they and what projects are they working on?
   
\_\_\_\_\_
   
\_\_\_\_\_
   
\_\_\_\_\_
    - c) What was the total cost to your company of professionals hired on a temporary basis during the last completed fiscal year? 20\_\_\_\_\_, \$
   
 .
   
 Were these amounts in your direct labor base for that year? \_\_\_\_\_

b. **OTHER DIRECT COSTS**

Other Direct Costs (herein called "ODCs") are direct costs other than direct labor and direct materials that are identified specifically with a contract based on a beneficial or causal relationship.

The Federal Acquisition Regulations (48 CFR 31) provide that no contract will have a cost allocated to it as a direct cost if other costs incurred for the same purpose, in like circumstances, are treated as an indirect cost of that or any other contract.

Costs identified specifically with a contract are the direct cost of that contract. **All costs identified with other contracts are direct costs of those contracts whether reimbursed or not.**

- 1) a) Does your firm have an approval process for ODCs? \_\_\_\_\_  
If so, are they in writing? \_\_\_\_\_
- b) Does your firm have procedures in place to ensure that ODC budgets are not exceeded? \_\_\_\_\_  
If so are these procedures in writing? \_\_\_\_\_

2) For each of the following cost categories estimate the amounts charged as direct and indirect costs by your firm during the last completed fiscal year. FY 20\_\_\_\_\_

	Direct	Indirect
Travel	\$ _____	\$ _____
Reproduction	_____	_____
Graphics	_____	_____
Office Supplies	_____	_____
Equipment	_____	_____
Relocation Costs	_____	_____
Computer Expenses	_____	_____
Laboratory Testing	_____	_____
Contract Labor	_____	_____
Other Cost (specify)	_____	_____
	_____	_____
	_____	_____

3) If any costs listed in 2 above are charged as both a direct and indirect costs, identify them and explain how these and other costs directly identifiable with specific contracts are excluded from the indirect cost pool, to prevent duplication.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4) ODCs also include Subconsultants, does your firm lease office space to other consultants, or otherwise provide support services? \_\_\_\_\_ If so, describe the relationship.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

c. **INDIRECT COSTS**

Indirect costs may consist of one or more pools of expenses which are grouped on the basis of the benefits accruing to the cost objectives represented by the distribution base or bases to which they are allocated. Since accounting practices vary, the use of particular groupings is not required. However, BART contract requirements specify **direct labor costs** as the basis for allocating indirect costs. Furthermore, BART requires that direct labor exclude: 1) fringe benefits, which must be classified as indirect costs; 2) Subconsultant, contract employees and other non-employee costs which must be classified as ODCs; and 3) principal, or owner labor cost dedicated to the general operation of the firm.

Indirect cost rates must be supported. A provisional rate for indirect costs will be established. Your firm's final rate must represent your firm's actual cost experience for a

completed fiscal year and must comply with all FAR and specific BART agreement requirements.

Provisional rates must represent your firm's best estimate of the rates to be experienced during that particular year. If your provisional rate does not use your last completed fiscal year, the estimated cost must be based on historical data and all known future changes. The computation should provide for the future changes that will occur in both your direct labor base and indirect expense pools. A proposed rate must comply with all FAR and BART agreement requirements. BART will consider provisional rates audited and approved by a cognizant federal agency (i.e., EPA, DCAA), or other government entity, if the rate is further adjusted to comply with BART agreement requirements.

Each firm must be able to support its direct labor base and other labor cost components used to calculate the indirect cost rate by submission of data for the last three years. **For this purpose complete the SCHEDULE OF SUMMARY COST AND SALARY DATA (page 9) for the last two completed fiscal years and the new fiscal year.**

Complete the INDIRECT COST SCHEDULES (Schedules A, B and C, pages 10 through 12) for your firm's last two completed fiscal years and the new fiscal year. The schedules may be modified as appropriate and will be reviewed by BART as part of negotiating a provisional reimbursement agreement.

List each indirect cost account, the amount, and a description of each adjustment. Specifically how adjustments for: 1) FAR unallowable costs, and 2) the exclusion of those categories of cost which will be paid directly by BART as an ODC, or will be provided directly by BART or another firm. Also exclude comparable pool costs incurred in the performance of other contracts. For example, if travel is charged directly, then only general purpose travel should be included in the pool. Non-reimbursable direct travel should be excluded from the pool.

The following is a list of some of the more common costs unallowable per FARs. The list is not meant to be all inclusive, and accordingly, the CONSULTANT must refer to the FARs when preparing the INDIRECT COST SCHEDULE.

- |               |                                |
|---------------|--------------------------------|
| Advertising   | Fines/Penalties                |
| Bad Debts     | Idle Facilities                |
| Contingencies | Interest/Other Financial Costs |
| Contributions | Losses on Other Contracts      |
| Entertainment | Organizational Costs           |

- 1) Does your firm routinely evaluate pool costs to identify and remove unallowable costs? \_\_\_\_\_ If so, at what interval? \_\_\_\_\_ If there is a written procedure for this removal, please attach a copy.
  
- 2) Does this CDS exclude any cost centers used by your firm? \_\_\_\_\_ If yes, identify these cost centers: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
- 3)
  - a. Does your firm own or have a financial interest in the facilities it leases or rents? \_\_\_\_\_  
 If yes, identify: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
  - b. Does your firm own or have a financial interest in equipment it leases or rents? \_\_\_\_\_  
 If so, please identify those interests: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
- 4)
  - a. Does our firm share any facilities with other affiliates, subsidiaries, personal interests, etc.? \_\_\_\_\_  
 If yes, describe each sharing arrangement: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
  - b. Does your firm share any equipment with other affiliates, subsidiaries, personal interests, etc.? \_\_\_\_\_  
 If yes, describe each sharing arrangement: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
  
- 5) BART will not allow Facilities Cost of Capital unless specifically proposed, reviewed, approved and audited. Does your proposed indirect cost rate include facilities cost of capital? \_\_\_\_\_  
 If yes, attach appropriate computation. \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**SCHEDULE OF SUMMARY COST AND SALARY DATA**

For Fiscal Years Ending:	_____ 20__	_____ 20__	_____ 20__
	Actual	Actual	Proposed
Total Company Sales	\$ _____	\$ _____	\$ _____
Total Direct Labor	\$ _____	\$ _____	\$ _____
Total Direct Labor Hours	\$ _____	\$ _____	\$ _____
Total All Salaries	\$ _____	\$ _____	\$ _____
Total All Bonuses	\$ _____	\$ _____	\$ _____
Total Number of Principals/Owners (P/O)	\$ _____	\$ _____	\$ _____
Total Salaries	\$ _____	\$ _____	\$ _____
Total Bonuses	\$ _____	\$ _____	\$ _____
Total Number of Professional Employees *	\$ _____	\$ _____	\$ _____
Total Salaries	\$ _____	\$ _____	\$ _____
Total Bonuses	\$ _____	\$ _____	\$ _____
Total Number of All Other Employees *	\$ _____	\$ _____	\$ _____
Total Salaries	\$ _____	\$ _____	\$ _____
Total Bonuses	\$ _____	\$ _____	\$ _____

\* To be considered an employee, an individual should be subject to withholding tax and be issued a Wage and Tax Statement (W-2) at year end and receive administrative support and supervision.

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**CERTIFICATION**

**I certify that to the best of my knowledge and belief that this Statement and the documents attached thereto are a complete and accurate disclosure of the information requested by this form.**

\_\_\_\_\_  
**Signature of Submitting Official (CEO or CFO)**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

**Schedule A - General & Administrative Expenses (G&A)**

**Fiscal Year Ending: \_\_\_\_\_, 20\_\_**

**Schedule of Actual Expenses, Unallowable Costs, and Adjusted Costs**

<u>Account No.</u>	<u>Description of Costs Removed</u>	<u>Expenses Per General Ledger</u>	<u>Unallowable Costs</u>	<u>Notes</u>	<u>Adjusted Costs</u>
_____	Salaries & Wages	_____	_____	_____	_____
_____	Legal Fees	_____	_____	_____	_____
_____	Audit Fees	_____	_____	_____	_____
_____	Other Fees	_____	_____	_____	_____
_____	Travel	_____	_____	_____	_____
_____	Entertainment	_____	_____	(1)	_____
_____	Advertising & Promotion	_____	_____	(2)	_____
_____	Bad Debts	_____	_____	(1)	_____
_____	Technical Publication	_____	_____	_____	_____
_____	Periodicals	_____	_____	_____	_____
_____	Conventions & Seminars	_____	_____	_____	_____
_____	Interest Expense	_____	_____	_____	_____
_____	Holiday	_____	_____	_____	_____
_____	Vacation	_____	_____	_____	_____
_____	Sick Leave	_____	_____	_____	_____
_____	Personal Absence	_____	_____	_____	_____
_____	Employee FICA	_____	_____	_____	_____
_____	FUI	_____	_____	_____	_____
_____	SUI	_____	_____	_____	_____
_____	Workmans' Compensation	_____	_____	_____	_____
_____	Health Insurance	_____	_____	_____	_____
_____	Life Insurance	_____	_____	_____	_____
_____	Pension Plan	_____	_____	(3)	_____
_____	Tuition Assistance	_____	_____	_____	_____
_____	Miscellaneous	_____	_____	_____	_____
_____	Subtotal	_____	_____	_____	_____
_____	B&P/IR&D	_____	_____	(4)	_____
_____	Total	_____	_____	_____	_____

**Notes:**

- (1) Unallowable cost per Government procurement regulation FAR 31.2.
- (2) Some advertising expenses allowable e.g. help-wanted employment advertising.
- (3) Employer contributions to pension plan may be in excess of that allowable under FAR.
- (4) See Schedule I for computation of allowable IR&D/B&P costs.

**(Use this format for each Fiscal Year and Cost Center)**



**Schedule B - Overhead Expenses**  
**Fiscal Year Ending: \_\_\_\_\_, 20\_\_**

**Schedule of Actual Expenses, Unallowable Costs, and Adjusted Costs**

<u>Account No.</u>	<u>Description of Costs Removed</u>	<u>Expenses Per General Ledger</u>	<u>Unallowable Costs</u>	<u>Notes</u>	<u>Adjusted Costs</u>
_____	Salaries & Wages	_____	_____	_____	_____
_____	Postage & Handling	_____	_____	_____	_____
_____	Office Supplies	_____	_____	_____	_____
_____	Small Equipment	_____	_____	_____	_____
_____	Temp. Clerical Help	_____	_____	_____	_____
_____	Other Outside Services	_____	_____	_____	_____
_____	Relocation	_____	_____	(1)	_____
_____	Business Meals	_____	_____	_____	_____
_____	Telephone Expense - Local	_____	_____	_____	_____
_____	Telephone - Long Distance	_____	_____	_____	_____
_____	Telecopies	_____	_____	_____	_____
_____	Real Estate Rent	_____	_____	_____	_____
_____	Equipment Rent	_____	_____	_____	_____
_____	Recruitment	_____	_____	_____	_____
_____	Dues/Memberships	_____	_____	(2)	_____
_____	Insurance	_____	_____	_____	_____
_____	Property Taxes	_____	_____	_____	_____
_____	Permits & Licenses	_____	_____	_____	_____
_____	Depreciation/Amortization	_____	_____	_____	_____
_____	Repairs & Maintenance	_____	_____	_____	_____
_____	Holiday	_____	_____	_____	_____
_____	Vacation	_____	_____	_____	_____
_____	Sick Leave	_____	_____	_____	_____
_____	Severance Pay	_____	_____	(3)	_____
_____	Employer FICA	_____	_____	_____	_____
_____	FUI	_____	_____	_____	_____
_____	SUI	_____	_____	_____	_____
_____	Workmans' Compensation	_____	_____	_____	_____
_____	Health Insurance	_____	_____	_____	_____
_____	Life Insurance	_____	_____	_____	_____
_____	Pension Plan	_____	_____	(4)	_____
_____	Miscellaneous	_____	_____	_____	_____
_____	Total	_____	_____	_____	_____

**Notes:**

- (1) Moving charges are limited by FAR.
- (2) Nature and amount limited by FAR.
- (3) Severance pay is limited.
- (4) Employer contributions to pension plan may be limited.

**(Use this format for each Fiscal Year and Cost Center)**

**Schedule C - Schedule of Bases Used to Allocate Indirect Expenses**  
**Fiscal Year Ending: \_\_\_\_\_, 20**

Pool - General and Administrative Expenses - Schedule A:

Base - Direct Labor Cost input (excluding fringe benefit expenses)

Pool - Fringe Benefit Expenses - Schedule B:

Base - Straight time direct labor dollars of all contracts and projects including labor costs of Bid and Proposals.