

## Professional Services Contract Multiplier

This document provides direction with calculation of the consultant's multiplier or use of the waiver provision. This completed multiplier sheet must be included with the negotiation documents, included with the "Professional Service Fee Evaluation Worksheet", to ensure a transparent record of the multiplier used for each contract.

This document relies on several references including the *ASCE Manuals and Reports on Engineering Practice No. 45, 2012 Edition*.

The multiplier may vary with the type of services, the nature and experience of the consultant, the size of the consultant's firm, and the geographic location of its office. See the multiplier calculation on the next page.

### **A. FAR Audited Payroll Burden Benefits (provided by the consultant)**

This covers all costs associated with employee benefits i.e. non-salary expenses. The consultant's payroll burden is expressed as a percentage of salary cost. Examples of payroll burden include benefit expenses, required taxes, insurances, etc. in accordance with Federal Acquisition Regulation guidelines. These rates are required to be certified by an independent Certified Public Accountant (CPA), in accordance with Federal Acquisition Regulation (FAR) guidelines.

### **B. FAR Audited General Overhead (provided by the consultant)**

As with any business, consultants have overhead expense. The consultant's general overhead is expressed as a percentage of salary cost. Examples of overhead expenses include rent, utilities, office equipment, etc. in accordance with Federal Acquisition Regulation guidelines. These rates are required to be certified by an independent Certified Public Accountant (CPA), in accordance with Federal Acquisition Regulation (FAR) guidelines.

### **C. FAR AUDIT Rate Waiver Provision:**

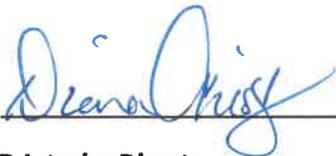
The following multiplier shall be used in place of a FAR calculated multiplier:

Maximum Multiplier is 2.4

### **D. Staff Supplementation:**

Staff supplementation contract multipliers will be negotiated on a case by case basis and are not subject to the FAR Multiplier Calculation or FAR Audit Waiver Rate.

Approved for use:



Date:

5/15/19

**Diana Christy, MSD Interim Director**

***Does not impact executed contract multipliers***

# Multiplier Calculation

Project Name:

Project ID:

Contract Number:

Chief Negotiator Name:

Date:

## Calculation Using Audited FAR Rates:

**Multiplier =  $((100 + A + B) * C) / 100$**  (3.1 Maximum Multiplier)

**A** = FAR Audited Payroll Burden Benefit

**B** = FAR Audited General Overhead

**C** = (Negotiate Percent Profit, Example: If 10% profit enter 1.10)

Calculation Using Audit Rates: If calculated multiplier is lower than the FAR Audit Waiver Rate then use the Waiver Rate.

(Insert Calculation):

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## FAR Audit Waiver:

**Maximum Multiplier is 2.4**

Waiver Rates used: