

Local Agency and Consulting Firm  
*Conformance Review Process – Frequent Issues*

| Issue   | Notes   |
|---|---|
| Missing cost proposals for subconsultants.  | Cost proposals for the prime <b>and all</b> subconsultants must be submitted.   |
| Missing and/or incomplete Certifications, LAPM Exhibit 10-Ks.                                     | Certifications, Exhibit 10-Ks for the prime <b>and all</b> subconsultants must be submitted.  |
| Missing breakdown of other direct costs (ODC), by # of units, unit cost, total.                   | Often ODCs are displayed as one lump sum. Cost must be broken out.  |
| Incomplete or incorrect cost proposal format used.  | See LAPM Chapter 10.2 for the allowable contract types and payments; and Exhibit 10-H for the appropriate cost proposal format.   |
| Unallowable method of payment used.   | See LAPM Chapter 10.2 for the allowable methods of payment.   |
| Mark-ups included on the cost proposal.   | Mark-ups are unallowable.   |
| Missing some fiscal provisions and/or fiscal provisions are inadequate.                           | See LAPM Chapter 10.3 for required fiscal provisions; and LAPM Exhibit 10-R for suggested contract language.  |
| LAPM Exhibit 10-R Article XIV D. is missing.  | This audit clause is required verbatim.   |
| Incomplete Internal Control Questionnaire (ICQ)   | Required attachments to ICQ (listed on first page of the ICQ) are often missing, and/or applicable questions are not answered.  |
| Certified indirect cost rates (ICRs) are for a past/previous fiscal period, e.g. 2012 or earlier. | The most recent fiscal period's ICR must be used, e.g. by now, 2013 should be available and used.   |
| ICRs differ among cost proposal, certification (Exhibit 10-K), and ICR schedule.                  | If a lower ICR is volunteered (i.e. the ICR on the cost proposal is lower than on the 10-K and ICR schedule) it should be documented. Otherwise all should have the same ICR. |
| Incomplete audit request packages.  | All applicable items on the LAPM Exhibit 10-A must be checked and included.   |

***References***

LAPM

<http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm>

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