



# ALABAMA DEPARTMENT OF TRANSPORTATION

## Local Transportation Bureau

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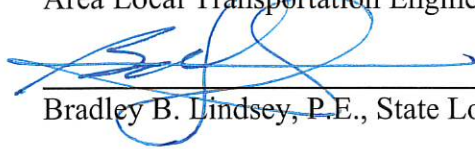
**Kay Ivey**  
Governor

**John R. Cooper**  
Transportation Director

October 2, 2023

### LOCAL TRANSPORTATION BUREAU MEMORANDUM 2024-03

**TO:** County Engineers  
Metropolitan Planning Organizations  
Regional Planning Organizations  
Area Local Transportation Engineers

**FROM:**   
Bradley B. Lindsey, P.E., State Local Transportation Engineer

**RE:** Project Indirect Cost Rate for Fiscal Year 2024 & 2025

The Alabama Department of Transportation (ALDOT) applies an indirect cost rate to the qualifying projects it administers. Since October 1, 2016, ALDOT has applied an indirect cost rate of 13.63%. Due to the impact of inflation on ALDOT's indirect costs, the indirect cost rate will increase in two steps to 15.00% by October 1, 2024.

Therefore, effective October 1, 2023, the indirect cost rate will increase from 13.63% to 14.00%. The new rate will remain in effect until October 1, 2024, at which time the rate will increase to 15.00%.

In accordance with the agreement with FHWA, the indirect cost rate will be applied to the following:

- Allowable transactions for all Federal Aid projects (let through State Services or locally), except those projects funded as pass-through projects, enhancement projects, and projects in large urban areas using urban attributable funds.
- Allowable transactions for Special Work Authorizations (SWAs).

Please make estimate adjustments to qualifying projects submitted to this office for letting after October 1, 2023.

Contact this office if you should have any questions concerning this matter.

C: Mr. Edward N. Austin, P.E., Chief Engineer  
Mr. Clay P. McBrien, P.E. Assistant Chief Engineer, Policy & Planning  
Mr. Jeff Hornsby, Chief Financial Officer  
Mr. Joe Lister, P.E., State Office Engineer