Procurement Standards for Invoice Requirements

48CFR Part 31 Federal Contract Costs "Unallowable Charges"
FASM 3.8 Withholding Retainage
FASM Definitions - Separation of Duties
FAR 31.201 to 31.205 Allowable and Reasonableness
Invoice Requirements/Standards
OAM 40.10.00 Non-travel Expenditures
OAM 15.400.110 to 112 Payments
OAM 10.40.10 Statewide Travel
ORS 293.462(4) 45-day Law

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1.0 PURPOSE

To establish Agency-wide standards when conducting Invoice Review on A&E Contracts

2.0 GUIDELINES AND REQUIREMENTS

2.0.1 GENERAL

The ODOT Chief Procurement Officer (CPO) is responsible for the oversight of all Agency procurement activity.

2.0.2 APPLICABILITY

This Standard applies to all A&E contracts executed by the Agency.

2.0.3 REFERENCE


2.0.4 POLICY

All Invoices shall follow the requirement standards specified within the

- Agency executed Price Agreement, Contract, or Work Order Contract (WOC);
- Oregon Accounting Manual (OAM);
- Applicable Code of Federal Regulations (when using federal funds); and
- Invoice Requirements standards.
• Oregon Accounting Manual; and
• Invoice Requirements standards.

2.0.5 DEFINITIONS

"Contract Administration" involves those activities performed by Agency officials after a contract has been awarded to determine how well the Agency and the consultant performed to meet the requirements of the contract. This encompasses all dealings between the Agency and the consultant from the time the contract is awarded until the work has been completed and accepted or the contract terminated, payment has been made, and disputes have been resolved.

"Contract Administrator" is the Agency's employee named in a contract as "Agency's Contract Administrator" (if a Contract Administrator is not named within a Work Order Contract (WOC) the "Agency's Project Manager" is also responsible for the role of Contract Administrator). Contract Administrator is responsible for verifying the terms of the contract are met by both parties, including compliance and technical specifications, schedule, and cost aspects of the contract. The Contract Administrator may delegate in writing a portion of the Contract Administrator's responsibilities to a technical representative for specific day-to-day administrative activities for each contract (OAR 731-146-0050(3)). However, the responsibility for administration of the contract or WOC remains with the Contract Administrator.

"CFR" means Code of Federal Regulations

"FAR" means Federal Acquisition Regulation

"OAM" means Oregon Accounting Manual

"OAR" means Oregon Administrative Rules

"ORS" means Oregon Revised Statute

"PA" means Price Agreement

"WOC" means Work Order Contract

2.0.6 PROCEDURE

When conducting invoice compliance and reasonability reviews, the Contract Administrator or Project Manager shall follow the Price Agreement, Contract, and WOC, OAM, this Standard for Invoice Requirements.

2.0.7 DOCUMENTATION

All invoices, backup and emails related to performing invoice review shall be kept in appropriate contract/project file.
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  Note: DBE Requirements: Always refer to the DBE requirements as set forth in EXHIBIT E – Disadvantaged Business Enterprise (“DBE”) Provisions of the contract/PA ................................................................. 14
**DEFINITIONS**

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>APM</td>
<td>Agency Project Manager</td>
</tr>
<tr>
<td>CA</td>
<td>Contract Administrator</td>
</tr>
<tr>
<td>Contract</td>
<td>Work Order Contract, Project Specific, Direct Appoint, or Personal Service</td>
</tr>
<tr>
<td>Consultant</td>
<td>Any other independent contractor that has entered into a contract with ODOT</td>
</tr>
<tr>
<td>CPFF</td>
<td>Cost Plus Fixed Fee</td>
</tr>
<tr>
<td>DBE</td>
<td>Disadvantaged Business Enterprise</td>
</tr>
<tr>
<td>DSR</td>
<td>Direct Salary Rate Schedule</td>
</tr>
<tr>
<td>EA</td>
<td>Agency's Expenditure Account Number</td>
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<td>ESB</td>
<td>Emerging Small Business</td>
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<tr>
<td>ESR</td>
<td>Escalated Salary Rate Schedule</td>
</tr>
<tr>
<td>FP</td>
<td>Fixed Price</td>
</tr>
<tr>
<td>FCCM</td>
<td>Facilities Capital Cost of Money</td>
</tr>
<tr>
<td>NBR</td>
<td>Negotiated Billing Rate Schedule</td>
</tr>
<tr>
<td>NTE</td>
<td>Not to Exceed</td>
</tr>
<tr>
<td>NTP</td>
<td>Notice-to-Proceed</td>
</tr>
<tr>
<td>OAM</td>
<td>Oregon Accounting Manual</td>
</tr>
<tr>
<td>ODC</td>
<td>Other Direct Costs</td>
</tr>
<tr>
<td>OH</td>
<td>Overhead</td>
</tr>
<tr>
<td>OPO</td>
<td>ODOT Procurement Office</td>
</tr>
<tr>
<td>PA</td>
<td>Price Agreement (Can also be referred to as Contract)</td>
</tr>
<tr>
<td>PSK</td>
<td>Personal Service Contract</td>
</tr>
<tr>
<td>T&amp;M</td>
<td>Time and Materials with NTE</td>
</tr>
<tr>
<td>WOC</td>
<td>Work Order Contract</td>
</tr>
</tbody>
</table>
OVERVIEW

Background

Oregon Department of Transportation (ODOT) Procurement Office (OPO) conducted a review of current invoice formats and requirements. OPO was charged to do the following:

- Develop requirements for submitting invoices for payment;
- Develop state wide consistency in invoice requirements and format;
- Standard requirement of supporting documents Travel, or Other Direct Costs, Subcontractor invoices, etc,
- Standard time required for Agency Project Managers, or other Agency staff to review invoices.

The objective of this document is to provide the requirements for business partners in the preparation and review of invoices to mitigate the time spent and to provide consistency throughout the Agency statewide. Additionally, proper invoice preparation by Consultants expedites payment and proper review assures that payments are allowable under Contracts.

Contract Administrator (CA) Invoice Responsibilities

The CA is responsible for ensuring the terms of the contract are met by both parties, including compliance reviews, technical specifications, tasks and cost aspects of the contract. Such as:

- Perform compliance review to ensure the invoice documentation and amounts comply with requirements of the contract.
- Perform reasonability review to ensure the amounts invoiced are reasonable for the services that were provided during the billing period.

The duty of performing invoice reviews can be delegated to appropriately trained employees. However, the CA remains responsible for ensuring that the appropriate payments are authorized and approved according to the price agreement, WOC, Oregon Accounting Manual and this Standard.
## 2.0 QUICK REFERENCE MATRIX

### Invoice Submittal Requirements

<table>
<thead>
<tr>
<th>Methods of Compensation</th>
<th>Fixed Price</th>
<th>Time and Materials</th>
<th>Cost Plus Fixed Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Printed&quot; Font Size is to be legible or at least 12 pt.</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Submitted Monthly (or as indicated in the Contract)</td>
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<td>x</td>
<td>x</td>
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<tr>
<td>1 Copy of Supporting Documents</td>
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<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Progress Reports</td>
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<td></td>
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</tr>
<tr>
<td>Subcontractor Invoices</td>
<td>x</td>
<td></td>
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</tr>
<tr>
<td>Consultant Invoices/Receipts for Other Direct Costs(s)</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Travel Expense Receipts</td>
<td></td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Overhead &amp; FCCM</td>
<td></td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Paid Summary Report (required for any Contract or WOC that includes subcontractors)</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

### Invoice Data Requirements

<table>
<thead>
<tr>
<th>Methods of Compensation</th>
<th>Fixed Price</th>
<th>Time and Materials</th>
<th>Cost Plus Fixed Fee</th>
</tr>
</thead>
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<tr>
<td>Price Agreement/Contract Number</td>
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<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Work Order Contract (WOC) Number</td>
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<td>x</td>
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<tr>
<td>Total amount due for the billing period</td>
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<td></td>
<td>x</td>
</tr>
<tr>
<td>Invoice Number</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Invoice Date</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Billing Period</td>
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<td></td>
<td>x</td>
</tr>
<tr>
<td>Consultant Name, Address, Phone</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Agency Project Manager Name</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Remit address (must match consultant address of record)</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Overhead &amp; FCCM</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Consultant's Project Manager Name</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Contract, work order and task numbers if applicable</td>
<td>x</td>
<td></td>
<td>x</td>
</tr>
<tr>
<td>Name/Classification of Employee &quot;Working on Project&quot;</td>
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<td>Number of Labor Hours</td>
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<tr>
<td>Employee Billing Rate</td>
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<td>Task Numbers from Contract</td>
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<td>x</td>
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<tr>
<td>Percent Complete of Each Task/Deliverable</td>
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<td>x</td>
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<tr>
<td>Milestone Name and Numbers from Contract (if applicable)</td>
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<td>x</td>
</tr>
<tr>
<td>Milestone Percent Complete (if applicable)</td>
<td>x</td>
<td>x</td>
<td>x</td>
</tr>
</tbody>
</table>

**Invoices submitted in hard copy (instead of via email) require signature by the Consultant’s Project Manager.**
3.0 INVOICE PREPARATION & SUBMITTAL REQUIREMENTS

An invoice packet consists of a detailed invoice for the project-specific contract or WOC and supporting documentation for charges during the billing period as well as additional documentation required by your contract. Invoice packets must be submitted in a timely manner and in accordance with the terms of the PA, WOC or Contract. Your contract may require that additional information be submitted. Please see your contract for submittal instructions.

Note: Consultants may abbreviate classifications, project titles, task names/titles and other items on their invoices. As long as they are legible, and clearly shows what they are billing

ORS 293.462(4) requires claims for payment to be made within 45 days from the latest of the following dates:
- The date of receipt of the invoice;
- The date of the initial billing statement, if no invoice has been received; or
- The date the claim is made “certain” by agreement of the parties involved or by law.

The following requirements shall apply when submitting invoices.

3.1. Invoice Submittal Requirements Detail

- The invoice must be submitted monthly and on the Consultant letterhead stationary or invoice form.
  - The beginning date must not be sooner than the Notice-to-Proceed date for the Contract, or within any previous billing periods.

Note: Invoice required information is listed in Section 2 “Quick Reference Matrix” at the beginning of this document.

Revised Invoices: If submitting a revised invoice, the invoice number should reference the previously submitted invoice. If submitting a revised invoice, keep the original date, and place an “R”, “revised”, or “REVISED” after the invoice number. Something to show that the invoice has been revised and resubmitted. This will insure that there will be no duplicate payments. Consultants do not need to submit revised invoices with a new invoice number.

Method of compensation and basis for payments are specified in the Contract or PA or WOC. Unless the contract states otherwise, invoices shall be submitted by email to the address indicated in the contract.

3.2. Supporting Documentation for Invoice Submissions

For cost reimbursement type contracts (T&M or CPFF), the Consultant shall submit one copy of supporting or backup documentation with their invoice.

For Fixed Price (FP) contracts, supporting documents are not required. Although the Consultant does not need to submit supporting documentation for fixed price amounts, Consultant should be aware that all costs related to the Contract must be justified in its files for audit purposes. Note: Fixed Price contracts do not require supporting/backup documents
Support documents include such things as:

- **Mileage:** Requires a breakdown of all miles being charged with name of person traveling, destination, purpose of trip and total miles for each trip. If a mileage log is kept for travel, this is the best for submittal. Google maps are also acceptable.
- **Copies:** Requires receipt if an outside vendor is used. If internal copying is charged to a project, copy logs or some other form of documentation must be submitted identifying how many copies and a method for tying back to the project.
- **Travel:**
  - Hotel receipts are required for all lodging. ODOT will reimburse approved short-term lodging up to the per diem for the county/location.
  - For approved travel that exceeds 30 calendar days at any one location, reimbursement will be in conformance with the “Long-Term Lodging and Per Diem provisions in Exhibit B of the Contract or PA.
  - Meals for non-overnight stay will be reimbursed subject to the rules of the Oregon Accounting Manual and lunch is never compensable for non-overnight stay.
- **Supplies:** Vendor payments, sub-consultants, and miscellaneous expenses all require receipts.
- **Total Contract Amount** (less unauthorized contingency amounts); total amount previously invoiced; total charges for current billing period.

**Note:** Per OAM 40.10.00 paragraph 128, requirements of the State Travel Policy (or more stringent Agency requirements set forth in the contract, PA or this Invoice Requirements document) govern any travel reimbursements to personal service Consultant. For additional details regarding travel expenses see the following:

- OAM 40.10.00 (paragraphs 109 through 111) Travel
- OAM 40.10.00 (paragraph 112 through 116) Meal Per Diem.
- OAM 40.10.00 (paragraphs 134 & 135) Receipt Requirements

The above list is not all-inclusive, and the ODOT Contract Administrator or Project Manager may request that the Consultant also provide supporting documents such as copies of timesheets or employee time summaries (to include the employee name, date(s) worked, number of hours worked on each project per day), logs for copier charges or any other documentation for charges related to the performance of work performed under the Contract or WOC.

3.3. **Progress Report Submittal Requirements**

1. A Progress Report must be prepared and a copy attached to invoices submitted for payment for each Contract and WOC. (Per contract specifications)
2. All documents submitted must be legible. To meet ADA standards please use 12 point font for readability.
3. Each progress report must cover the period invoiced.
Note: At all times, the CA must ensure the submitted progress report conforms to the requirements of the applicable contract or WOC and PA. In most cases, this information can be found in ODOT’s Price Agreement, Exhibit B, Compensation, and Invoicing section. Example Language: Progress Reports. Each monthly invoice must include a progress report. The monthly progress report must cover the period invoiced and, at minimum, must:

- Describe the previous month’s WOC activities and the planned activities for the next month;
- For each task/deliverable, identify the percentage completed during the month and the cumulative percentage completed;
- Reconcile progress of each task/deliverable with the schedule and budget identified for each.
- Identify issues/concerns that may affect the WOC schedule or budget.

3.4. Progress Report Data Requirements Details

1. Show Contract No. or PA and WOC Numbers, Description of Contract, Contract Period of Performance, and Consultant’s name. Also, show the date of the Progress Report on the upper right hand corner.

2. Total Contract Amount shown on the Contract. If the Contract was amended for a cost increase, show the amended amount and have a note below indicating original Contract amount.

3. Total of all previous invoices for Contract.

4. Contract Total Remaining = Contract Total – Contract Total Billings to Date.

5. Contract Begin Date (NTP Date).

6. Contract End Date. (Expired Date).

7. Document control information (e.g. Project, date, page numbers) on each page of the Progress Report.

8. Summary of work performed during the period of performance identified on the invoice, which at a minimum must include:

- Describe the previous month’s project activities and the planned activities for the next month.
- For each task/deliverable identify the percentage completed during the month and the cumulative percentage completed.
- Reconcile progress of each task/deliverable with the schedule identified for each.
- Identify issues and/or concerns that may affect the project Statement of Work (SOW) or schedule.
- Describe activities performed on contingency task(s), percent complete, and task/deliverable schedule and identify any issues or concerns that may affect the performance and/or completion of the task(s).
• Any other information required in the Contract to be included in the Progress Report.

3.5. Short Paying an Invoice

3.5.1 Agency May Short Pay for Unacceptable Deliverables

Unacceptable Deliverables
Following is typical language in ODOT contracts and PAs, Exhibit B Compensation:
If CA/APM, using reasonable discretion, determines that the Services or associated deliverables, or both, are unacceptable, CA/APM will notify Consultant in writing of the deficiency. Within 7 calendar days (unless a different timeframe is agreed to by the Parties) of receipt of the deficiency notification Consultant shall respond to Agency outlining how the deficiency shall be corrected. Consultant shall correct any deficiencies in the Services and deliverables to Agency’s satisfaction without further compensation. (See Section 3.6 Charges for Corrective Work”) If resolution is not achieved, Agency may withhold other payments until deficiencies have been corrected to the standard of care for such Services or deliverables See PA Part 2, Section 6.a, Professional Standard of Care. Review the contract for options for resolving unacceptable deliverables.

Note: ODOT may short pay for unacceptable deliverables.

3.5.2 Resolving Invoice Discrepancies

Invoice Discrepancies
When a discrepancy is found by the Compliance Reviewer or CA/APM, they are to notify the Consultant and cc the CA/APM, when applicable, within 10 business days from the receipt of the invoice.

Options for resolving invoice discrepancies may include:

• Short pay the invoice
  o Cross out information and write changes on the invoice
  o Initial the changes
  o Note reasons for the short pay on the invoice
  o Cross out calculations and write in corrected totals
  o Pay the reduced amount

• The Consultant can submit a corrected invoice, or allow the Compliance Reviewer or the CA/APM to move forward with the hand written corrections on the invoice. The Compliance Reviewer or CA/APM should send Consultant a copy of the hand written short pays with the corrected total amount of invoice.

• Request supporting documentation, if needed.

When there are discrepancies on the invoice the 45 days stops and once you have received a corrected invoice the clock begins again and you will have another 45 days to the pay the invoice to process the invoice. Remember invoices must be paid within 45 days from
receipt, or ODOT must pay interest charges. Any interest for overdue payment will be in conformance with Oregon law.

Note: Agency shall not unreasonably withhold payment.

3.6 Charges for Corrective Work

For Contract or PA provisions, Consultants may not include unallowable or additional charges for corrective work in regards to unacceptable Services or associated deliverables. The following is typical language in ODOT contracts and PAs, Exhibit B Compensation:

Example: Consultant shall complete all Services, including deliverables, as required in the SOW to Agency’s satisfaction. If Agency, using reasonable discretion, determines that the Services or associated deliverables, or both, are unacceptable, Agency shall notify Consultant in writing of the deficiency. Within 7 calendar days (unless a different timeframe is agreed to by the Parties) of receipt of the deficiency notification Consultant shall respond to Agency outlining how the deficiency shall be corrected. Consultant shall correct any deficiencies in the Services and deliverables to Agency’s satisfaction without further compensation. If resolution is not achieved, Agency may withhold other payments until deficiencies have been corrected to the standard of care for such Services or deliverables (see PA Part II, Section 6.a, and Professional Standard of Care). Agency shall not unreasonably withhold payment.

4.0. PROGRESS PAYMENTS

For Contracts with progress payments, identify amount due based on percent completed in the current billing period for each task, deliverable, or milestone (as specified in Contract). Progress payment will be contingent on Agency’s approval of the current and cumulative percent complete identified in the Progress Report.

For Contracts with payment upon full completion, identify the total amount due for completed task, deliverable, milestone or overall project completion (as specified in Contract) for the current billing period.

5.0. PAYMENT ON CONTINGENCY & COMPENSATION

Amounts billed for authorized contingency tasks must be identified as a separate line items from amounts billed for non-contingency (required) tasks. The amount for a contingency task must include all labor, overhead, profit, and expenses for the task. Direct non-labor expenses for contingency tasks must not be included in an overall amount for direct non-labor expenses applied to the budget for the non-contingency tasks.

If the Contract includes mixed method of compensation, any amounts that are cost reimbursement (T&M or CPFF) must include a breakdown of the costs and supporting documentation as required for the method of compensation selected.

6.0. PAID SUMMARY REPORT
(Required for any Contract or WOC that includes subcontractors.)

ODOT’s “Paid Summary Report” form is required for contracts that include subcontractors regardless
of compensation method. The form must be submitted with monthly invoices to report payments made to subcontractors.

The “Paid Summary Report” form is available on ODOT’s website at: https://www.oregon.gov/ODOT/Business/Procurement/Pages/PSK.aspx

7.0 INVOICE INSTRUCTIONS FOR DIFFERENT PAYMENT METHODS

7.1. Fixed Price Invoice Requirements

- Fixed Price (includes all labor costs, overhead, profit, travel and other expenses)
- Fixed Price Per Deliverable (includes all labor costs, overhead, profit, travel and other expenses)
- Fixed Price per Milestone for all non-contingency Services (includes all labor costs, overhead, profit, travel and other expenses)

Note: Know your Contract terminology and what it means.

Fixed Price Invoice Submittal Requirements (See Section 3.0)

7.2. Time and Materials (with NTE) Invoice Requirements

Invoice Submittal Requirements (See Section 3.0)

Additional Invoice Requirement for T&M Invoice

1. Total Not-to-Exceed (NTE) amount (less unauthorized contingency amounts); total amount previously invoiced; total charges for current billing period.

2. Breakdown of labor cost by task (task/subtask names and numbers as specified in the Contract) for Prime Contractor and subcontractors. Include employee names and classifications applicable to the work performed for the billing period. For each employee, indicate the direct salary rate (within the max identified on the ESR approved for the PA/Contract), overhead rate and profit fee applied to arrive at the loaded rates, or indicate the fully loaded NBR rate. Provide a breakdown of the number of hours worked per employee and the total labor amount.

3. Amounts billed for authorized contingency tasks must be identified as separate line items from amounts billed for non-contingency. Notice-to-Proceed email must be kept on file. It does not need to be attached to each invoice submitted for payment. The amount for a contingency task must include all labor, overhead, profit, and expenses for the task. Direct non-labor expenses for contingency tasks must not be included in an overall amount for direct non-labor expenses applied to the budget for the non-contingency tasks.

4. Breakdown of Other Direct Charges (ODC), including travel costs. Enter name of vendor or the in-house ODC item (for travel costs, show employee name),
description of ODC, invoice or reference number, unit price, number of units, ODC cost for the line item. For supporting documentation, attach:

- Vendor receipts are required for ODCs;
- Receipts for approved lodging, rental cars, airfare (receipts are not required for approved meal per diem).
- Long-Term Lodging and Per Diem

To be billable invoice items, travel and ODC expenses must be allowed under the Contract and approved by Agency’s Contract Administrator.

5. Paid Summary Report must be attached to Prime Consultant’s invoice. Summary must include subcontractor name, total hours and total cost for all subcontractors who performed work during the billing period. For supporting documents.

6. Name of the Consultant’s Project Manager (CPM) (Invoice must be signed by Consultant’s PM if not submitted electronically via email).

7.3. Cost Plus Fixed Fee (with NTE) Invoice Requirements

Invoice Submittal Requirements (See Section 3.0)

Additional Invoice Requirements for CPFF

1. Name of the “current” ODOT Project Manager; not necessarily the name specified on the contract. Name of the Contractor’s Project Manager (Invoice must be signed by Contractor’s PM if not submitted electronically via email).

2. Breakdown of labor cost by task (as defined in the Contract) for Prime Contractor and subcontractors. Include employee names and classifications applicable to the work performed for the billing period. For each employee, indicate the direct salary rate (within the max identified on the ESR approved for the PA/Contract) and overhead rate applied to arrive at the loaded rates (do not apply profit to billing rates), or indicate the fully loaded NBR rate. Provide a breakdown by task of the number of hours worked per employee and the total labor amount for each task.

3. Amounts billed for authorized contingency tasks must be identified as separate line items from amounts billed for non-contingency (required) tasks. Place Notice-to-Proceed email on file. The amount for a contingency task must include all labor, overhead, profit, and expenses for the task. Direct non-labor expenses for contingency tasks must not be included in an overall amount for direct non-labor expenses applied to the budget for the non-contingency tasks.

To be billable invoice items, travel and ODC expenses must be allowed under the Contract and approved by Agency’s Contract Administrator.
4. Summary of subcontractor invoices on Prime Contractor's invoice. Summary must include subcontractor name, total hours and total cost for all subcontractors who performed work during the billing period. For supporting documentation, attach subcontractor invoice and breakdown of costs.

5. Identify on invoice the Total Fixed Fee amount for the Contract and the amount of the Fixed Fee due (if any) for the period invoiced. Invoicing and payment of the Fixed Fee must be in conformance with the Fixed Fee payment methodology identified in the Contract. If no Fixed Fee payment methodology is identified in the Contract, the invoicing and payment of Fixed Fee will be for progress payments commensurate with the percentage of work completed (services and deliverables that the Fixed Fee is associated with) during the billing period.

6. Summary of total labor hours, total labor amount, total ODC amount, and total cost for Prime Contractor and subcontractor(s) for the billing period.

8.0 Understanding your Break Down of Cost (BOC)

A BOC from the consultant is a requirement for each A&E contract, WOC, and any amendment that adds costs. It is a tool that's used for analysis and negotiation of costs and staffing proposed to complete all the tasks and deliverables for a project. During the negotiations and prior to requesting the BOC from the consultant, the Contract Administrator or Agency Project Manager (and other staff resources as appropriate) and the consultant project manager will review and discuss the SOW to agree on scope, level of effort and appropriate classifications to complete all tasks and deliverables.

The Consultant will then use the BOC to prepare a complete cost proposal with the hours per classification, billing rates and ODCs for each task and subtask. A detailed internal estimate is also prepared prior to receipt of consultant’s BOC.

Labor rates: All Labor rates are based on the approved billing rates that are on file with ODOT.

Expense detail for ODCs is a “Basis of Estimate”. This portion of the BOC gives enough detail for the APM and CPM to get a vision of what they determine will be needed to complete all tasks and deliverables. ODC costs are an estimate and should never be considered the firm amount (except for fixed-price compensation), but may not exceed the overall NTE of the contract/WOC to complete all services. Travel rates in the BOC or invoices may not exceed allowable mileage, lodging and per diem rates at the time the travel occurred.

Contingency Task: Contingencies are the “what if” dollars. The contingency dollars are not part of the contract for required work. Although they are part of the overall NTE, each contingency task has a fixed price or NTE amount. If the tasks are not needed, then the contingency dollars are never used, and may not be applied to non-contingency tasks without an amendment to the contract.

Contingency tasks must be authorized and invoiced in conformance with Contingency Task provisions of the Contract/WOC.

Each contingency task must be approved by the CA/APM with an email Notice-to-Proceed sent to the consultant's PM notifying them that the dollars have been released prior to the contingency work being performed.

Unless stated otherwise in the contract/WOC, hours for required work (required tasks, not
contingency tasks) are allowed to be moved within contract/WOC.

The BOC is an estimating tool used to break down the amount of effort and all allowable costs. The consultant obligation is to produce all deliverables/required work within the NTE of the contract and not by the breakdown per task of the BOC (except for fixed price per deliverable compensation).

Note: The budget shown for each task is the best estimate at time of Contract (and Amendment, if applicable) execution. However, as performance of Services under the Contract progresses it may dictate that more funding be applied to some tasks and products and less to others. Consultant shall monitor such needs on an on-going basis and, when needed, propose and submit budget refinements (within the limits of the not-to-exceed amount established for this Contract) on a monthly basis as part of the invoicing and status report, to Agency for approval.

9.0 Know Your Billing Rates

“DSR” – Direct Salary Rate Schedule
To compute an employee’s actual direct salary on an hourly basis, the employee’s actual annual direct salary, as defined below in this paragraph, shall be divided by 2080. An employee’s actual annual direct salary shall be the salary amount directly payable to such employee on an annual basis and shall not include any amount for the following costs or payments: (1) all payments for Services performed during overtime hours; (2) all employer payments mandated by law, including without limitation, social security and Medicare taxes, insurance (Worker’s Compensation, Employers Liability, Unemployment); (3) all employer contributions, if any, to retirement plans, including without limitation pension and deferred compensation plans, and (4) all costs for any and all other fringe and supplemental benefits.

“ESR” – Escalated Salary Rate Schedule
The ESR is developed by Agency for firms that calculate an overhead rate. It includes the maximum rate and average rate (based on the actual direct salary rate of employees within the classification) for all classifications that may be used under the Contract. This schedule will be included in the Contract and may include rates for multiple years with escalations as approved by Agency.

“FCCM” – Facilities Capital Cost of Money
The "cost of money as an element of the cost of facilities capital" as used at 48 CFR 9904.414--Cost Accounting Standard.

“NBR” – Negotiated Billing Rate Schedule
Negotiated Billing Rates are fully loaded rates that include profit and overhead.

“DNL” – Direct Non-Labor Cost
A schedule of costs a consultant firm will charge as part of an ODOT contract, which does not include labor. Sometimes referred to as “other direct costs.

“ODC” – Other Direct Costs
The consultant firm completes a Certification of Invoicing and ODC Billing Practices form. This form certifies whether the consultant will be billing for invoice preparation or adding it to their overhead. In addition, the company certifies how company-owned equipment will be charged. Finally, the firm certifies that its labor charges comply with cost accounting practices and the applicable CFRs.

“CDQ” – Cost Disclosure Questionnaire
Throughout the duration of the PA, Consultant shall, and shall cause all of its subconsultants to submit a revised CDQ to Agency’s PA Administrator within 30 calendar days of any changes to Consultant or subconsultant accounting practices pertaining to overhead and direct costs. The CDQ (as may be revised from time to time by Agency) is available at the following Internet site:
https://www.oregon.gov/ODOT/Business/Procurement/Pages/PSK.aspx.

The following two paragraphs include typical language in ODOT’s PA, Exhibit B Compensation, “Invoicing” section:

The hourly rates (including escalations, if any) approved under this PA shall be subject to review and potential revisions in conformance with Agency’s Billing Rate Policy AGR 06 01 and Agency’s business practices. The Billing Rate Policy (as may be revised from time to time by Agency) is incorporated by this reference with the same force and effect as though fully set forth herein, and is available at: https://www.oregon.gov/ODOT/Business/Procurement/Pages/PSK.aspx.

The hourly rates approved for use in any WOC under this PA, shall remain in effect throughout the duration of the WOC unless revisions are approved by Agency. Any approved revisions to the hourly rates allowable under a WOC shall not exceed the rate maximums per classification as stated in the PA or effect an increase in the WOC NTE amount (exceptions may be approved by Agency on a case by case basis).

Note: Billing Rate Policy controls new Billing Rate effective dates. Updated labor rates approved by the Billing Rate Coordinator take effect immediately on all of a firm’s ODOT contracts. In effect, this can raise the maximum labor rates charged but the consultant cannot increase the NTE of the Contract without executing an amendment to the contract, if allowable.

If you have any questions regarding your approved billing rates please contact the “Billing Rate Coordinator” at ODOTBillingRateUpdates@odot.state.or.us

Note: DBE Requirements: Always refer to the DBE requirements as set forth in EXHIBIT E – Disadvantaged Business Enterprise (“DBE”) Provisions of the contract/PA.