

Personal Services Consultant Invoice Frequently Asked Questions

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Billing Rates

1. Is having a current ESR the only criteria used related to BOC reviews?

Updated! A: No, having a current ESR is not the only criteria used related to BOC reviews. A firm with an ESR will also need their overhead rate and profit rate (if applicable) currently on file to be reviewed and validated. Rates and classifications must also be reviewed and validated for firms with NBR schedules. A firm cannot have both an NBR and an overhead rate/ESR.

2. If the consultant's billing rates fall within the approved rate range for a given classification, is there any further review necessary?

Updated! A: No. Consultants bill the actual direct labor rate for each employee. ODOT can accept billing rates at or below the approved maximum billing rate for each classification on file with ODOT.

3. Consultants typically prepare the BOC with an average rate for the classifications as defined in the instructions. When the invoicing is received, the rates are based on actual rates versus average rates. Is it appropriate to request the consultant to revise their invoice to match the average rates in the BOC?

Updated! A: No, averages are often used during contract estimations while reimbursement is made on actual salary rates. An invoice is considered in compliance with a contract as long as the consultant is using their approved billing rates that are on file with ODOT and not exceeding their maximum rate per classification when invoicing.

4. Two different consultant employees charged the same amount of time to the same task. Is it acceptable to have two people working together on the same task, particularly for surveyors and other construction inspectors in the field?

A: Yes.

5. Are consultants free to give employee raises as they see fit and use them on an existing ODOT contract?

A: Yes, consultants are free to give employees raises and use them on existing ODOT contracts, however, the contract NTE amount cannot change due to raises and ODOT will only pay the maximum approved rate for each classification.

Note: Per the OPO Billing Rate Policy, it is a requirement that consultants use their approved billing rate schedule and classifications on file with ODOT. Consultants shall not exceed the maximum amount for their approved billing rate schedule and classifications on file with ODOT.

Breakdown of Cost

1. Are Consultants held to the breakdown of costs ("BOC") in regard to direct expenses detail (Non-labor costs associated with an ODOT project, reimbursed at actual cost, such as travel, equipment rental, or supplies)? If the expense was not specifically identified on the BOC, is the expense disallowed? Would this include allowable project expenses defined by the Federal Acquisition regulations ("FAR")?

A: No, the consultants are not held to the BOC in regards to expense detail when the compensation method is Time and Materials (“T&M”) or Cost Plus Fixed Fee (“CPFF”).

No, the expense is not disallowed if it is not specifically identified on the BOC when the compensation method is T&M or CPFF. The BOC may not list all actual expenses that will need to be paid for the life of the contract.

The BOC is an estimate to determine the contract Not to Exceed (“NTE”) amount. The expense must be an allowable expense as defined in the Oregon Accounting Manual (“OAM”) and the FAR and approved by the ODOT Contract Administrator (“CA”) or the Agency Project Manager (“APM”).

Note: It is the ODOT CA’s/APM’s responsibility to approve or deny any changes or charges of direct expenses for expense items that were not anticipated at the time the BOC was being completed. Items that are more than the anticipated amounts included in the BOC will require an amendment if the increased expenses will result in exceeding the contract NTE amount.

2. Are Other Direct Cost (“ODC”) expenses “actual negotiated amount” or “estimates” on the BOC?

A: ODC expenses in the BOC are an estimate.

If the expense is allowed and is approved by the ODOT CA/APM, the expense is paid at the invoiced amount.

3. Can a Prime Consultant invoice a sub-consultant that was not included on the BOC?

A: Sub-consultants performing professional, related or personal services must have approved billing rates on file with the Agency, and regardless of tier must be included on the BOC prior to work being performed and payment being made. However, trade services may be included as direct expenses if approved in writing by the APM. Trade services are not required to have approved billing rates on file with Agency.

4. What is the difference between personal services and direct expenses?

Personal Services provide professional level, knowledge-based services or expertise rather than a manufactured product. They may stand on their own as a deliverable provided by a Sub-consultant with oversight by the Prime. These services may be related to planning, designing, engineering, or overseeing a project or component of a project. Approved billing rates for consultants are required for this type of work with ODOT.

Reimbursable direct expenses are typically goods and non-professional (general labor) or trade services that are often part of a deliverable from the Prime or Sub-consultant. Examples of these services include but are not limited to the following: flagging, equipment rental, security, laboratory services, etc.

Per OAR 125-246-0110 Trade Services is defined as “all remaining services that do not meet the definition of Personal Services”.

If you are unsure whether an expense falls under personal services or qualifies as a direct expense, please contact OPOInvoiceInquiries@odot.oregon.gov.

Expenses

1. When expenses include purchases of water for field work, does it matter what size water bottles small or larger bottles?

A: No, it does not matter what size water bottles is purchased.

2. When unanticipated expenses include icepacks to pack the samples to be sent to the lab, is this an allowable charge even if it was not part of the negotiations?

A: Yes, this is an allowable charge as it is related to the project and deliverables if the charge is approved by the ODOT CA/APM and does not go over the NTE amount

3. A consultant budgeted a rental car but ended up using a TriMet \$5 day pass rather than pay the daily rental rate. Is this acceptable?

A: Yes, that is an acceptable charge.

4. The OPO Invoice Review Standard indicates that rates and expenses are in accordance with the contract which includes the Escalated Salary Rates (“ESRs”) or Direct Salary Rates (“DSRs”) that are applicable to the respective firm. For consultants that have specific expenses for various types of tests, equipment, etc., those expenses are also part of those approved schedules by OPO Billing Rate Coordinator. Is this correct?

A: Yes, this is correct. ODCs are listed in the firm’s Direct Non Labor (“DNL”) cost schedule. A consultant with an audited overhead (“OH”) rate should also have a “Certification of Invoicing and ODC Billing Practices” form on file with ODOT.

5. Question regarding airline miles. A consultant uses their personal credit card to pay for their airfare, during this flight they are offered an upgrade. Can the consultant accept free upgrades using their personal air miles?

A: Yes, as long as there are no additional costs to the state.

Invoice Review

1. When is work under the contract authorized to begin?

A: The work under the contract is authorized to begin on the date ODOT’s CA/APM issues the notice to proceed (“NTP”) to the consultant. The NTP date is the official date the consultant is allowed to begin to perform work under the contract. Invoice dates must not precede the NTP date.

2. How long does the ODOT CA/APM have to review and pay the invoice?

A: Per ORS 293.462(4) and standard contract language, the invoice must be reviewed and paid within 45 days. The exception to this is if there are discrepancies with the invoice. If the invoice has discrepancies, the calendar stops entirely, and restarts when the discrepancies have been resolved.

*For A&E contracts with the compensation method T&M or CPFF, the agency will apply partial pay process.

3. What does contract language requiring ODOT to “endeavor to review an invoice within ten days” mean?

A: This means ODOT will try to review the invoice and notify the consultant of any discrepancies within 10 business days from the date ODOT’s receives the invoice. If ODOT receives revisions back from the consultant within the 10 business day period, the requirement still stands to make payment within the 45 days.

*For A&E contracts with the compensation method T&M or CPFF, the agency will apply partial pay process.

4. Regarding revised invoices, is the consultant required to add ‘-R’ to any invoice that is edited and resubmitted, regardless of significance (e.g. misspelling, grammar, added descriptive text, something that doesn’t affect dates, amounts, work performed...)? Also, ‘-R’ is mentioned as an example in the Invoice Requirements Standard. What else would be acceptable? Could the consultant also write ‘revised’ somewhere on the invoice? Does the revision need to be noted within the invoice number field? Are multiple revisions handled differently or does the one ‘-R’ (or ‘revised’ note) cover all subsequent revisions?

A: The “R” placed after the invoice number means that it has been revised, and resubmitted. Many of the accounting systems used are not able to delete out the original invoice number, as it is still active- but they can place an “R” after the invoice number.

Yes, they can also write “Revised” after the invoice number

Yes, the one ‘R’ (or ‘revised’ note) covers all subsequent revisions.

5. It appears that often consultants may have been requested to provide backup documentation on fixed price contracts and invoices have been rejected that do not contain backup documentation. Backup documentation for fixed price contracts is not required under the OPO Invoice Review Standard or the FARs. Is this correct?

A: Yes, if the compensation method for the contract is fixed price, no backup documentation is required. All travel and other direct expenses were negotiated prior to contract execution. Invoices should not be rejected if the contract is fixed price and the invoice lacks backup documentation. A contract amendment to increase the NTE may be needed if unanticipated expenses come up in a fixed price contract.

6. If direct expenses were not negotiated as part of a contract, then the consultant should not be able to charge ODOT for those costs? Is that correct?

A: No, that is not correct. As long as the direct expense charge is reasonable and approved by the ODOT CA/APM and does not exceed the NTE amount, it should be paid.

7. When consultants provide backup documentation, should task numbers and task descriptions be clearly marked with the task number and description from the direct expenses negotiated on the BOC?

A: No, as long as the backup documentation is attached to the invoice, consultants do not need to mark which task it belongs to. Charges are normally broken out on the invoice, and the backup

documentation is attached. The invoice compliance reviewer is reviewing whether the backup documentation justifies the charges and is correct, and that the charges are allowable by the contract, Oregon Accounting Manual, and Invoice Review Standard, not the BOC. It is the ODOT CA/APMs responsibility to review and approve all charges.

8. Is it acceptable for sub-consultant invoices to span different periods? This is not an uncommon issue with sub-consultants since every prime consultant has a slightly different accounting system calendar setup. Will that work?

A: Yes, it is acceptable for invoices to span different periods. It is common for accounting dates to occur differently based upon different accounting systems.

9. Can a consultant invoice for temporary staffing? Does the temporary staffing require prior approval? How should temporary staffing be invoiced, as consultant labor or as a pass through expense?

A: For professional, related or personal services, the Consultant and any Subconsultants must have approved billing rates on file with the Agency regardless of if the services are being performed by temporary staff, unless a Billing Rate policy exception has been granted ([AGR 06-01](#)).

Consultants are allowed to utilize temporary staffing and will be reimbursed for those costs. However, the Consultant will need to discuss this with the ODOT Billing Rate Specialists prior to performing work.

Move Dollars within a Contract

1. Is an amendment required if contingency task dollars need to be moved to a different task?

A: Yes, an amendment must be completed in order to move the contingency task dollars. Contingency task dollars are tied to specific contingency tasks listed in the contract.

2. Is an amendment required if a consultant exceeds a particular task but stays within the contract total amount?

A: Unless stated otherwise in the contract, dollars for required, non-contingent tasks are allowed to be moved to other required non-contingent tasks within the contract if the compensation is T&M or CPFF. However, dollars cannot shift from a fixed priced task, or from a contingency task, to another task without a contract amendment.

The contract NTE amount can only be changed via an amendment.

Overtime

1. If a flagging service provider (sub-consultant) submits an invoice that clearly shows overtime (OT) rates, should ODOT accept that invoice or should ODOT require that it be resubmitted?

A: ODOT can accept the invoice. Flaggers working on ODOT projects are entitled to prevailing wage (BOLI or Davis Bacon if federal funds are involved) and OT wages for overtime hours worked.

Note: Per Exhibit B of the Price Agreement, “OT costs incurred as a result of working OT or holidays are the responsibility of the consultant and are not reimbursable by ODOT. Premium time should normally be charged to overhead. In accordance with ORS 279C.520, employees shall be paid at not less than time and one-half for all OT worked and for work on legal holidays, except for individuals who are excluded from receiving OT under personal services contracts pursuant to ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209.”

Paid Summary Report

1. Where can I find instructions about the Paid Summary Report?

A: Instruction tabs are located at top left corner of the report specific to A&E and Construction.

2. When does the Paid Summary Report need to be submitted?

A: Form is due within 20 days of payment to consultant/contractor for each month in which payments are made to sub-consultants.

3. Where can I submit questions about the Paid Summary Report?

A: Consultants are welcome to contact ODOT Office of Civil Rights (via ocr.psk@odot.oregon.gov mailbox) directly with any questions.

4. Why is the Paid Summary Report required?

A: Regulations require ODOT to monitor and ensure prompt payment to sub-consultants. ODOT reports this information to FHWA, Governor’s Office, and Oregon Legislature.

5. When entering information in the boxes on the Paid Summary Report, is there character or punctuation limitations?

A: No punctuation should be entered on the form of any kind, or any extra text. For example, the Agency contract number (box 5) should only contain the contract number, or PA number and WOC, but not the acronyms ATA or PA (example: B12345002). Extra punctuation or verbiage not in the system may confuse the computer and result in data not being uploaded properly.

Partial Pay Process

1. Do you require contract start date and NTP date if different?

A: No, the NTP is what is necessary, as this is the important date that details when work is authorized to begin.

2. For Progress Reports, do you need date of meeting if any?

A: No, meeting date is not a requirement.

3. How does the Agency know if the Prime Consultant will pay their Sub-consultants with the initial partial payment?

A: Contract language has been updated to clarify the partial payment must be made to sub-consultants. The prime consultant will be expected to pay the sub-consultant for work performed and submitted with the prime's invoice within 10 calendar days of receiving the partial payment from ODOT.

4. Which types of contract payment methods are applicable to the partial payment process?

A: A&E and Related Services contracts that have Time & Materials and Cost Plus Fixed Fee as its payment method are eligible for the partial payment process.

5. What happens if the 40% partial payment is not enough to fully cover the sub-consultants invoice amount?

A: ODOT is expecting Prime consultants to pay the sub-consultants the full amount or a proportional amount of the invoice based on the 40% partial payment paid. The Prime is not expected to pay the sub-consultants more than they get paid.

6. Are there exceptions for when the 40% partial payment does not cover the sub-consultants invoice amount?

A: No, Prime consultants are to pay the sub-consultants the full amount or a proportional amount of the invoice based on the 40% partial payment paid.

7. Will a Prime consultant with no sub-consultants still be eligible for the partial payment?

A: Yes, a Prime consultant without sub-consultants will qualify for partial payment, as long as the A&E and Related Services contract payment method is Time and Materials (T&M) or Cost Plus Fixed Fee (CPFF).

Project Titles

1. Regarding Project Title – Is it okay to add "ODOT" to the project title?

A: It is allowable to place "ODOT" in front of the project title, it isn't allowable to change the name of the project title. Adding "ODOT Project", or just "ODOT", is acceptable.

EXAMPLE: ODOT Project: [Title Name] or ODOT: Project [Title Name]

Sub-consultants

1. Is it okay for a sub-consultant to bill at a different profit fee than the prime consultant's profit fee?

A: Sub-consultants using ESRs may bill a profit fee different from the prime consultant if the difference in profit fee was negotiated and documented in the BOC prior to contract execution.

Note: this is not applicable to sub-consultants using NBRs since NBRs already include profit.

2. Does the ODOT CA/APM need to approve any contingency task dollars prior to the prime consultant or sub-consultants performing the work?

A: Yes, the ODOT CA/APM must send the prime consultant an email identifying the contingency task and dollar amount associated with the contingency task in which the ODOT CA/APM is approving for release. The ODOT CA/APM will issue an individual NTP for each contingency task, stating when work under that particular contingency task can begin. The consultant is not authorized to begin work under a contingency task until the ODOT CA/APM issues the NTP for that contingency task.

3. Does the contract NTE include sub-consultant direct expense charges?

A: Yes.

4. The requirements state that the invoice has to have the Agency Project Manager name and the Consultant's Project Manager name. Do sub-consultants need to have the name of the Prime's project manager, their own project manager, or both?

New!

A: When practicable, sub-consultants can list a contact to notify in the event of a defective invoice. Because their contract is with the Prime, not ODOT, they should have the Prime's project manager, but they do not need the Agency project manager.

Travel

1. Can a consultant claim per diem for a single meal a day and not include receipts or must the consultant, if they are claiming a partial per diem, include expense receipts as a backup with it?

A: The consultant can claim per diem for a single meal a day. Meal per diem does not require a receipt for reimbursement. As long as the consultant does not go over their allowed meal per diem, the consultant is considered in compliance with the contract and Oregon Accounting Manual.

2. Per Diem lodging: What if the consultant invoices for more than the allowable lodging rate?

A: Consultants must abide by State of Oregon policy regarding non-commercial lodging and the U.S. General Services Administration (GSA) rates for commercial lodging (and the limits stated in the contract for long-term travel assignments). Non-commercial lodging rate or commercial lodging room cost per county plus tax for the area are allowable; any overage can be short paid.

3. Credit Card Rewards, are they acceptable for travel?

A: Yes.

5. Can a consultant bill over the GSA lodging rate if there was proof that there were no cheaper availability in the area than what was booked?

A: Per language in Exhibit B in contracts and Price Agreements :
"The travel, lodging, and per diem rates referenced in this Section B are the maximums that Consultant's estimate or reimbursement may be based on. Travel rates other than those referenced in this Section B may be negotiated in the WOC, however, under no circumstance shall travel, lodging and per diem rates exceed the maximums set forth by the State Controller in OAM 40.10.00."