



Florida Department of Transportation

CHARLIE CRIST
GOVERNOR

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STEPHANIE C. KOPELOUSOS
SECRETARY

April 13, 2007

TO: All Consultants Qualified with the Florida Department of Transportation

The FDOT/FICE Liaison Committee appointed a Negotiations Task Team comprised of both Department staff and Consultants to review current contract negotiations procedures and practices and make recommendations for improvements. The first recommendation made was to reimburse the costs of rent and utilities for field offices established by the consultant as a direct project cost rather than through the field office direct expense percentage submitted annually as part of the reimbursement rate audit. The Liaison Committee has accepted this recommendation and the Department is beginning the implementation.

The first step in implementation is to exclude all field office set up, mobilization, rent and utilities costs from the calculated field office direct expense percentage in your next annual reimbursement rate audit submittal. Utilities costs are limited to electricity, gas, water, sewer and trash pick-up. Once approved, this direct expense rate will be used to negotiate any new contract for which the Department approves the use of a field office facility and the consultant is paying the cost of rent and utilities for the field office. The Department will accept invoices that include the costs of mobilization, set up, rent and utilities, documented by appropriate receipts. Of course, if the field office is provided through the construction contract or by the Department, the consultant does not incur rent or utilities costs, so they cannot be invoiced or booked.

No other direct expenses associated with the field office may be invoiced as separate items. They will continue to be compensated through the field office direct expense percentage. This method of reimbursing rent and utilities costs for field offices may not be applied to existing contracts nor to supplements to existing contracts.

All consultants should immediately forward this e-mail to the independent CPA who prepares their annual audits.

If there are any questions, please contact David Beals at (850)410-5658 or Jeffrey Owens at (850)410-5834, with the Office of Inspector General.

Sincerely,

A handwritten signature in black ink, appearing to read "T. J. Cappalini".

Terry Cappalini, Manager
Procurement Office

ATC