

Consultant Advisory

2014-10

May 14, 2014

Invoicing Templates and Fixed Fee Calculations

MDOT has revised the Payment Invoice Blank Template and the Priced Proposal Blank Template, dated 5/17/14, and both are now available on our website. We have also added two invoice examples. One example is for those contracts/authorizations with a derived budget. This example is for project specific contracts/authorizations, **and** as-needed contracts/authorizations with defined job numbers and associated budgets, as identified in the contract/authorization. The second example is for 'true' as-needed contracts/authorizations. For purposes of this document 'true' as-needed contracts/authorizations are those without defined job numbers identified in the contract/authorization.

For project specific contracts/authorizations, as well as as-needed contracts/authorizations with defined job numbers and associated budgets, use JN's A-J to complete your invoice. JN's A-J **will not** calculate the fixed fee amount, and you will have to manually calculate the amount. In calculating the amount, the fixed fee on project specific contracts/authorizations should be calculated based on percent of work complete. The fixed fee on as-needed contracts/authorizations should be calculated based on hours, as explained below.

For 'true' as-needed contracts/authorizations, use JN's 1-50 to complete your invoice. JN's 1-50 will calculate your fixed fee amount, based on hours, as explained below.

The calculation of fixed fee for all as-needed contracts, **regardless if there are derived job numbers and associated budgets or not**, must be computed by taking the percent of actual labor hours invoiced to total labor hours authorized, then applying that percentage to the total fixed fee authorized.

The calculation of fixed for project specific contracts must be computed by using the percentage of project work completed and applying that percentage to the total fixed fee authorized. It is not computed based on a percentage of labor and overhead.

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