

Consultant Advisory

2014-15

November 12, 2014

Reasonable Vehicle Expenses for Consultants Performing Professional Services for MDOT

Overview

Consulting firms providing professional services to MDOT may require the use of vehicles to deliver services. This document is intended to provide guidance to consulting firms and MDOT personnel responsible for negotiating contracts for professional services. The vehicle expense rates included in this document are generally intended to provide a range of reasonableness for vehicle rates. If vehicle rates exceed the upper limit, the consultant will be asked to provide documentation to assess the reasonableness of vehicle costs. MDOT reserves the right to deny vehicle expenses above the limits defined in this document and deemed unreasonable.

Consultants should generally utilize vehicles that are similar in type and function to the MDOT vehicles utilized for the same task.

The Range of Reasonable Vehicle Expenses will be re-evaluated in the 4th quarter of each year by the MDOT/ACEC Contract and Finance Partnering Subcommittee and published the following January.

This document covers the common methods of billing vehicle expenses, which are mileage rate, hourly rate, daily rate, rental and lease. Consultants utilizing other methods for vehicle expense billing will be required to provide documentation for their billing method and costs. Reimbursement of vehicle expenses will be actual cost.

Mileage Rate

Mileage rate will be the federally approved Internal Revenue Service vehicle reimbursement mileage rate effective at the time the expense was incurred or other pre-approved mileage rate as agreed upon between the Consultant and MDOT. Consideration will be given to the unique circumstances of the contract and the vehicles and equipment required to perform the scope of services.

Hourly and Daily Rates

Hourly and daily rates that have been audited and approved by MDOT may be used for vehicle billing.

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Consultant Advisory
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Rentals/Short-term Leases

Rental and short-term lease contracts (shorter than 12 months) are typically used for short or flexible durations. The upper limit for vehicle rentals and short-term leases is \$100/day. This cost does not include fuel which will be reimbursed separately.

Long-term Leases

Long-term leases are agreements for a duration of longer than 12 months. Lease costs will vary by vehicle type as defined below:

Vehicle Type	Lease Rate^{1,2} (Upper Limit)
Standard Sedan (Chevy Malibu, Ford Fusion or similar)	\$600
Full Size Sedan (Chevy Impala, Ford Taurus or similar)	\$650
Mini-Van (Dodge Caravan or similar)	\$780
Small SUV (Ford Escape or similar)	\$690
Small Pick-up (Ford Ranger, Chevy Colorado, Dodge Dakota or similar)	\$660
2WD Full Size Pick-Up (Ford F-150, GMC Sierra, Dodge Ram or similar)	\$710
4WD Full Size Pick-Up (Ford F-150, GMC Sierra, Dodge Ram or similar)	\$880

¹Lease rates do not include fuel which will be reimbursed separately.

²Lease rates do not include taxes, license, insurance and maintenance which will be reimbursed separately.