

MEMO



DATE: January 10, 2022
TO: KDOT Engineering Consultants
FROM: Calvin Reed P.E., Director, Division of Engineering & Design
Pam Anderson, Chief, Bureau of Fiscal Services
RE: Fixed Fee Payout Procedures for Cost Plus Fixed Fee
Contracts

Eisenhower State Office Building
700 S.W. Harrison Street
Topeka, KS 66603-3745
kdot#publicinfo@ks.gov
<http://www.ksdot.org>

This memo is to clarify KDOT's procedures for paying out fixed fee for Cost Plus Fixed Fee Engineering Contracts. KDOT recognizes our obligation to honor the terms of all contracts we are engaged in. This includes paying out the Agreed upon Fixed Fee for Engineering Contracts with Design Consultants. The bulleted list below details the procedures KDOT will follow to ensure the Contract terms are met.

- For all invoices other than the final invoice, the Consultant will "Calculate and claim a proportional amount of fixed fee" not to exceed the fixed fee amount as shown in the Original Agreement and/or subsequent Supplemental Agreements.
- Per Agreement, accumulated payments on invoices will be limited to 95% of the Upper Limit of Compensation until the final invoice is submitted.
- For the final invoice (marked as final) the Consultant should claim any remaining fixed fee up to the fixed fee contract amount as shown in the Original Agreement and/or subsequent Supplemental Agreements.
- Upon processing of the final invoice, KDOT will make payments to the Upper Limit of Compensation on any direct expenses, indirect costs and fixed fee being retained (see Bullet #2 above) as well as the remaining fixed fee in Bullet #3. KDOT policy is to retain \$500 from the final payment until the contract audit has been completed.
- Upon completion of the Contract Audit, a final invoice will be generated by KDOT to the Consultant. This invoice will include adjustments made for retainage, disallowed costs, actual overhead rate(s) and unclaimed fixed fee (if not fully claimed in the final invoice). The resulting invoice could require a payment to KDOT from the Consultant or a payment to the Consultant from KDOT. In either case, the payment will be subject to the Upper Limit of Compensation of the Original Agreement and/or subsequent Supplemental Agreements.

These procedures will apply for cases where the Prime Consultant submits billings which include costs incurred by a subconsultant. This memo is effective immediately.