

**CHAPTER VII
UTILITIES**

CHECKLIST FOR REVIEWING CONSULTANT CONTRACTS

INSTRUCTIONS: Listed below are a number of items that should be reviewed for each consultant contract to ensure that the contract conforms to MoDOT policy and complies with applicable federal regulations. A “no” answer to any of these questions implies noncompliance and further work must be done with the consultant contract, estimate or overhead to bring the contract into compliance.

<u>CONSULTANT CONTRACT</u>	<u>Yes/No</u>
1. Review the copy of the consultant contract for completeness and to ensure it follows the format approved by MoDOT.	
Does the contract contain all the proper articles and attachments specified in the LPA Manual sample contract or other standard contracts used by MoDOT?	_____
Is there a clause stating records can be audited?	_____
Is there a record retention clause?	_____
Does the liability clause agree to the standard contract?	_____
2. Do the totals in the Compensation section agree to the amounts shown on the Estimates of Cost in Attachment A?	_____
3. Does the Compensation section state payment to the engineer/consultant will be actual costs incurred plus a predetermined fixed fee for design services and construction engineering?	_____
4. Are actual costs defined as actual payroll salaries, payroll additives, general and administrative overhead and costs directly attributable to the project such as mileage, meals, lodging, printing, surveying, and others?	_____
5. Does the contract state rates shown for additives and overhead are approximate and will be adjusted for actual costs as determined by a final audit by MoDOT of the engineer’s records?	_____
6. Does the contract state the payment of costs will be limited to those allowable under 23 CFR Part 172 and 48 CFR Part 31?	_____
7. If a sub-consultant(s) is to be used, is the name of the sub-consultant provided along with the amount to be paid to the sub-consultant?	_____
Is a detailed cost estimate provided for the sub-consultant?	_____
Is the sub-consultant’s overhead calculation included if overhead is included in the estimate?	_____

Checklist for Reviewing Consultant Contracts

CHAPTER VII
UTILITIES

Estimate of Cost Yes/No

1. Is the Estimate of Cost mathematically correct and do all columns foot and cross foot? _____

2. Is the Estimate of Cost broken out in detail that includes each task, person performing the task, the hours for the task, and the hourly rate of the person performing the task? _____

3. Are the hourly salary rates shown net of overhead and profit (i.e., salary amount only)? _____

4. Are overhead rates only applied on direct labor costs? _____

5. Are direct costs described in sufficient detail so that you can determine what the expenses are for? _____

6. If mileage is charged, is it charged at the IRS rate? _____

7. Is the fixed fee calculated on only direct labor and overhead? (Note: The fixed fee is not allowed on direct expenses or pass through costs.) _____

8. Is the fixed fee 15% or less (direct labor and overhead)? _____

9. Are the hours shown in the cost estimate reasonable for the work to be done as established by the scope of the project? _____

Overhead Rate Breakdown

NOTE: It is preferable to have the overhead schedule show dollar amounts as well as percentages for each category, as this information aids in the review of the overhead calculations.

1. Is the payroll portion of the overhead rate broken down into component parts such as holidays, sick leave, vacation, employee incentives, FICA and other taxes? _____

2. Is the general and administrative portion of the overhead rate broken down into sufficient detail so that you can determine the type of expenses included in the overhead? _____

3. Does the overhead include only allowable expenses? _____

CHAPTER VII
UTILITIES

Yes/No

NOTE: The following are unallowable expenses and must be deleted from the overhead:

- Bad Debt Expense
- Interest Expense
- Advertising Expense
- Marketing Expense
- Profit Distribution
- Sub-contractor's Direct Expenses
- Entertainment Expense
- Promotional Expenses
- Equipment & Furniture Purchases
- Gifts
- Federal Income Tax and Preparation
- Donations
- Fines, Penalties and Mischarges
- Lobbying
- Alcoholic Beverages Expense

- 4. Is the overhead schedule mathematically correct? _____
- 5. Do the overhead rates on the schedule agree to the rates used in the estimate of costs? _____

Consultant Selection Process

Has the city/county provided adequate written documentation to demonstrate it has complied with state laws regarding the selection of engineering and architectural firms?

- Provide names of at least three firms considered
- Documented the criteria used to evaluate each firm
- Indicated firm selection
- Documented reasons why this firm was selected

Comments/Conclusions

Name of Reviewer

Date

Checklist for Reviewing Consultant Contracts