



**COLORADO**

**Department of Transportation**

Division of Project Support

Contracts and Market Analysis Branch  
4201 East Arkansas Avenue  
Denver, CO 80222-3400

TO: PE IIIS, PE IIS, REGION BUSINESS OFFICES

**EC-002**

FROM: GEORGE CURRIE, AUDIT LIAISON

DATE: 7/18/2017

SUBJECT: REVISED PROCESS - ADDING CONSULTANT EMPLOYEES TO MPA AND PROJECTS

EFFECTIVE IMMEDIATELY

OVERVIEW:

CDOT policy for the addition of consultant employees to a pre-existing Master Pricing Agreement requires approval of the individual's billing rate prior to any work being performed and/or invoiced. As clarification to address the common need for employees to be made available for work immediately, this document will provide process details.

PROCEDCURES:

When CDOT requires the immediate use of an individual consultant employee, the following are process details applicable to each the CDOT PM and Consultant firm:

- **CDOT** - The CDOT project manager (PM), who has the responsibility for that project, will authorize the employee to be placed on the Project. Such authorization should be documented, at minimum via email correspondence. The date reflected within the PM authorization correspondence will serve as reference to any billing rate approval. The PM will then direct the Consultant to contact CDOT Audit Liaison, George Currie ([George.Currie@state.co.us](mailto:George.Currie@state.co.us)) and inform him of the PM approval (submit a copy of authorizing correspondence) if that added employee is not on their MPA. The Consultant will then prepare all required submittals for billing rate approval. Consultant employee may begin work, as directed by CDOT PM.
- **CONSULTANT** - The Consultant will, as soon as practical, submit a copy of authorizing correspondence from CDOT PM to George Currie for inclusion on their MPA. The consultant will then be required to submit all required payroll records substantiating the employee's billing rate as contained in CDOT's EC-001 regarding the Adding of Employees to an MPA. If an extended period of time is required, an anticipated delivery date should be provided to George Currie. Upon approval of the employee's billing rate, the employee and billing rate will be added to the Consultant MPA. The Consultant will be notified, via email, when the approval has been completed. Please note that the Consultant should not assume the



submitted billing rate will be the approved billing rate due to the required determination of fair and reasonableness per FAR 31-205.6(b).

The following are examples for which this process is applicable:

- The Consultant has an immediate need to replace an employee (already on the MPA) who is working on a current CDOT project. The replacement may come from another location of the Consultant's company or be a new hire. This is an immediate need and the CDOT PM must be notified, as soon as practical. The PM will provide Consultant with authorization, work shall begin as directed.
- The CDOT PM requests from the Consultant or Consultant requests from the CDOT PM that a particular employee (not on the MPA) is needed on the project and should begin work immediately. The PM will provide Consultant with authorization and Consultant will provide all required documentation to George Currie. The employee may begin work on the project.

### INVOICING:

All invoices should identify any employee who is on a currently approved MPA or has been added to the MPA. While CDOT will not delay the processing of an invoice which includes a Consultant employee whose billing rate is under review, it is suggested the Consultant withhold the affected employee(s) until the employee's rate has been approved. Any payment of an invoice which includes an unapproved employee/billing rate that is under review, the Consultant accepts full risk of recapture by CDOT. In other words, if the Consultant invoices at \$50/hr and the employee is approved at a \$45/hr rate, the Consultant will be liable for a \$5/hr recapture on a following processed invoice. It should be noted that the Business Office may choose to "short pay" that invoice until approval is obtained.

### CLOSING

If you have any questions, concerns or you would like for me to talk to a particular consultant, please do not hesitate to contact me; telephone, 303-512-4156 or email, [George.currie@state.co.us](mailto:George.currie@state.co.us). I am here to assist you.

