



State of Utah

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DEPARTMENT OF TRANSPORTATION

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February 1, 2008

To: Consultants & Local Governments

From: Gaye Hettrick, CPM 
Consultant Services Manager

Subject: Engineering Services Contracts
Revision to Overhead Rate Process

UDOT Consultant Services has revised the Cost-Plus-Fixed-Fee version of the Engineering Services Contract.

We are changing the language from using "PROVISIONAL overhead rates subject to final audit" to using a "FIXED overhead rate for the life of the contract" on all contracts requested by UDOT Project Managers on or after **February 1, 2008** in the UDOT Contract Management System (CMS).

The process for financially screening firms to establish a firm's approved overhead rate has not changed.

Modifications

In the past when a modification was written on a cost-plus-fixed-fee engineering services contract, the CURRENT financially-screened and approved overhead rate of the firm was used. Now, the base contract will be written with the financially-screened and approved overhead rate as a FIXED rate, and therefore modifications written on this type of contract will use the FIXED overhead rate that was set in the project-specific base contract.

We will not be revising contracts that have already been written and therefore when submitting a new modification request, please review the base contract to determine whether to submit a cost proposal with your firm's CURRENT financially-screened and approved overhead rate or whether to submit the FIXED overhead rate set in the base contract.

Pending Contracts

There are some contracts that have been requested by the UDOT Project Manager prior to **February 1, 2008** in CMS and those contracts will be written using the provisional overhead rate language. Using the Project Manager REQUEST Date will allow CMS to differentiate between the two when it comes time to write any contract modifications.

If you have any questions, please let me know at ghettrick@utah.gov. Thank you.