

Field Rate Accounting FAQ's

Construction Contract Administration Accounting:

- *How do we handle a contract negotiated with field rate accounting if unusual circumstances would result in a suspension in the work for a 1-month or longer period of time?* The Department would renegotiate the contract to provide 40 hours of work/week for the staff covered under the field overhead rate. It is assumed that there is at least 1 month of work to be done during the suspension.
- *What if the length of the initial contract changes?* The Department will make a best estimate of the timing of a consultants contract when soliciting the project and determining whether to advertise it as requiring a field rate. The Department would utilize the PS&E project schedule completed by the engineer of record, if available. If the length of the contract changes after the let, the construction administration contract would not be altered to remove or include a field rate.
- *Who or what consultant staff does a field rate apply to?* Consultant staff that are under contract with the Department full time for 18 or more consecutive months. Field rate accounting does not apply to consultant staff working less than full time on the project. It is expected that the staff will work in the provided field office rather than at an alternate work location.
- *If the Department advertises a project as requiring field rate accounting and the prime does not have staff that qualifies for the field rate but the sub-consultant does, will the sub-consultant be required to apply field rate accounting for the contract?* Yes, it could apply to the sub-consultant and not the prime consultant.
- *If the Department approves a provisional field overhead rate, would this create a company policy?* This does not establish a company policy.
- *How often will provisional rates be set?* Annually, unless there is agreement between the Department and the consultant that an updated or a revision in the field rate is necessary due to substantial changes in a firm's business.
- *How is overtime pay billed under this policy?* This would revert to the consultant's specific policy for payment of overtime for its employees.
- *How are students and/or part time employees who receive no benefits treated when they work on projects with field rate accounting?* The home office rate would apply.
- *What can a firm do when it believes the field rate should not apply to a specific contract or individuals included in the contract?* The first point of contact for the firm would be the consultant unit supervisor in the region. If not resolved satisfactorily, the next point of contact would be the consultant coordinator.
- *If a home office rate project is closed for a given year, will it be reopened upon completion of the field overhead rate project audit if the field overhead rate requires adjustment for that year?* No projects are reopened for audit adjustments after they

have been audited and a report has been issued. If the actual cost project has not been audited yet, all applicable overhead adjustments would be applied based on the audited overhead rates for the periods involved.

- *Can there be a situation where the same consultant staff person does some work under field rate accounting and some work under the home office overhead? Yes, if the staff person is assigned to separate projects, but full time on the field project. The overhead rate is project specific.*
- *What overhead rate is applied to construction contract administration project when new and/or additional consultant resources are needed for a project? The home office rate would apply unless the new consultant staff assignment is 18 or more consecutive months.*
- *If a change in field rate accounting results in a significant change in the firm's home office rate, what is the result on other open contracts? The affected contracts will be reviewed for potential re-negotiation of the contract maximum due to the home office rate changing should it be significant. The firm will be required to approach WisDOT if it considers the change significant.*

Project Office Accounting:

- *Who or what consultant staff does a field rate apply to? Consultant staff that are under contract with the Department full time for 12 or more consecutive months. Field rate accounting does not apply to consultant staff working less than full time in the Department's office(s).*
- *The consultant contract is based on completion of a specific scope of work and fee. What if there is a break (gap) in the original contract? The Department will provide work for consultant employees working in WisDOT offices 40 hours/week at the same field rate. This would require the firm to prepare an amendment collaboratively with WisDOT to add a project ID for the scope and work effort to fill the gap. The original contract with the specified scope and fee will not be reduced due to the gap.*
- *Amendments take time to develop and execute. How will the Department handle them? The gap in service will require an amendment. It is WisDOT's expectation that good project management should anticipate potential gaps as soon as practical so the amendment can be processed and executed before the work begins.*
- *Does project office accounting apply to consultant staff contracted for 14 months, working 20 hours per week, for the duration of the contract? Given this is not full time (i.e. 40 hrs/wk) for 12 consecutive months; the application of field rate accounting would not apply.*
- *How does a 4-day workweek, working 10 hrs/day, 40 hrs/wk change the application of field rate accounting? The Department would consider this a full time employee and field rate accounting would apply to this contract when the contract is for 12 consecutive months or more.*

- *Why was 12 months chosen for the term to require field rate accounting?* Because of funding requirements, some contracts are limited to 12 months, although they extend for longer periods of time. Typically the Department advertises if a contract is expected to be renewed.
- *How is overtime pay billed under this policy?* This would revert to the consultant's specific policy for payment of overtime for its employees.
- *What can a firm do when it believes the field rate should not apply to a specific contract or individuals included in the contract?* The first point of contact for the firm would be the consultant unit supervisor in the region. If not resolved satisfactorily, the next point of contact would be the consultant coordinator.
- *What will the Department provide in a project office?* The Department **will** provide:
 - Office furniture (desks, chairs, file cabinets)
 - Telephones – land line, equipment and voicemail
 - Kitchen items (water, microwave, refrigerator, coffee maker)
 - Paper
 - Plotters – for design only
 - Office supplies
 - Internet service (minimum T1)
 - Mail service

The Department **may negotiate** to provide:

- Software – project specific
 - Servers
 - Server support
 - Computers – subject to firm's cost accounting
 - Printers, copiers, fax machines
 - Parking
 - Projector
 - Cell Phones - subject to firm's cost accounting
- *If a project office rate project is closed for a given year, will it be reopened upon completion of the project office overhead contract audit if the project overhead rate requires adjustment for that year?* No projects are reopened for audit adjustments after they have been audited and a report has been issued. If the actual cost project has not been audited yet, all applicable overhead adjustments would be applied based on the audited overhead rates for the periods involved.
 - *What if the length of the initial contract changes?* The Department will make a best estimate of the timing of a consultants contract when soliciting the project and determining whether to advertise it as requiring a project office rate. If the length of the contract changes the contract would not be altered to remove or include a project office rate.
 - *If the Department approves a provisional project office rate, would this create a company policy?* This does not establish a company policy.

- *Can there be a situation where the same consultant staff person does some work under project office rate accounting and some work under the home office overhead?* Yes, if the staff person is assigned to separate projects, but full time in the project office. The overhead rate is project specific.
- *What overhead rate is applied to a project office contract when new and/or additional consultant resources are needed?* The home office rate would apply unless the new consultant staff assignment is 12 or more consecutive months.
- *If a change in the office rate accounting results in a significant change in the firm's home office rate, what is the result on other open contracts?* The affected contracts will be reviewed for potential re-negotiation of the contract maximum due to the home office rate changing should it be significant. The firm will be required to approach WisDOT if it considers the change significant.