

Tampa Bay Water

ADMINISTRATIVE POLICY AND PROCEDURE DIRECTIVE 650-15

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Financial Management

Policy to Standardize Consultant Fees Charged to Tampa Bay Water

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I. PURPOSE:

This policy establishes a standardized method for setting fees proposed and/or charged to Tampa Bay Water by consultants and other third parties providing personal/professional services to Tampa Bay Water. These procedures are intended to provide a simplified, efficient mechanism for administering fee structures that will be comparable among entities providing the same or like services.

II. SCOPE:

This policy is applicable to the services of consultants hired directly by Tampa Bay Water and to the services of sub-consultants who perform work for Tampa Bay Water which are charged through to Tampa Bay Water under another consultant's billing. This policy shall be utilized in the process of requesting proposals for services and in the actual billing of services to Tampa Bay Water by the consultants. Personal/professional services include, but are not limited to, companies and individuals providing the following services: engineering; surveying; architectural; auditing; accounting; computer programming and software design; public relations and design; environmental and hydrologic data collection; monitoring and analysis; construction management; land agent services; water supply sampling and testing; records management services; and other as-needed professional or personal services. This Policy does not apply to construction contractors, legal services, or to the purchase of goods and products or the provision of services relative to the maintenance and repair of those goods or products.

This policy applies to Proposals and Bid requests issued after the effective date of the policy and the resulting contracts/services. It does not apply to contracts existing on or prior to the effective date.

III. POLICY:

- A) All individuals or companies providing personal/professional services to Tampa Bay Water shall be required to utilize one of the three methods described below to determine their hourly rate(s) or total fees when proposing and billing fees for services.
- B) The specific method to be used must be established by the project manager, with Director approval, at the time Requests for Proposals/Qualifications (RFP) or Bid requests are issued. A single RFP or Bid shall not utilize both the Raw Labor Rate and the Hourly Rate method. However, contracts for both specified tasks and as-needed services may utilize a rate method and a Fixed Fee method when determined by the project manager to be necessary. Requests for Proposals/Qualifications or Bid requests must state the standard fee method required for the services being proposed. Each contract prepared must also contain a fee schedule based on the required method. Furthermore, all contracts issued as a result of a single RFP or Bid must utilize the method specified in the RFP or Bid. Staff is also encouraged to use the same standard fee method for all services of a particular type. (For example, all engineering services would use the same standard fee method, regardless of the specific nature of the tasks or the department requesting the services.)
- C) Regardless of which of the following three methods is used, the final Rate or Fixed Fee must reflect the final total rate or fee to be billed to Tampa Bay Water **inclusive of all direct, indirect and overhead costs and profit component**. No additional cost recovery or profit will be allowed in addition to the established Rate or Fixed Fee except as described under "Sub-consultant/Outside Services" and "Out-of-State Travel".

1. Raw Labor Rate with Multiplier method:

For purposes of this policy, the Raw Labor Rate is defined as the gross wage rate per hour earned by or paid to one or more classes of employee of the consultant, without regard to or inclusion of employee benefits, administrative costs or any other costs of the consultant. The permitted billing method is the Raw Labor Rate X (times) a multiplier which shall not exceed 3.33 (multiplier includes all employee benefits, labor overhead, general and administrative overhead, direct charges and profit).

- a) The multiplier to be used for a specific contract or group of contracts shall be established by Tampa Bay Water and stated in the Request for Proposals/Qualifications or Bid request that is published by Tampa Bay Water. Such multiplier will be established by Tampa Bay Water based on

industry trends, vendor history or such other market indicators as may be available, but in no case shall it exceed the maximum multiplier of 3.33.

- b) By revision of this policy, Tampa Bay Water may, but has no obligation to, change its maximum allowable multiplier based on the Consumer Price Index, industry trends or such other market indicators as are determined to be appropriate. Such change shall be made no more frequently than semi-annually and will be effective only for Requests for Proposals/Qualifications/Bids published and contracts executed or amended after the effective date of the policy revision.

2. Hourly Rate – all inclusive method:

Total hourly rate all inclusive of labor, employee benefits, labor overhead, general and administrative overhead, direct charges and profit.

3. Fixed Fee method:

In those instances where Tampa Bay Water is contracting for a fixed, specified task or tasks and the department director determines it to be in the best interest of Tampa Bay Water, the Request for Proposals/Qualifications/Bids may specify that the vendor shall propose a single all-inclusive Fee for the defined task(s). The Request for Proposals/Qualifications/Bids must state the task(s) to be performed to which the all-inclusive fee applies and must state that no other fees, direct charges or other charges will be paid by Tampa Bay Water to the vendor relative to the defined tasks.

- D) Fee Schedules submitted by consultants and other third parties under methods C)1. and C)2. shall be itemized by labor position or function as appropriate for the particular contract.

- E) All invoices submitted to Tampa Bay Water for payment for contracts awarded under methods C)1. and C)2. shall show, at a minimum, number of hours worked, dates worked, rate, name and position of personnel performing the work and amount due for the services. Invoices submitted under method C)3. shall show, at a minimum, the dates of service, description of service and amount due for the service. Project Managers may specify inclusion of additional information when needed.

F) Sub-consultant/Outside Services:

Sub-consultant or Outside Services in excess of \$300 may be submitted to Tampa Bay Water by the lead consultant for reimbursement at actual cost plus an administrative markup not to exceed 5%. Copies of the Sub-consultant/Outside service invoice approved by the consultant must accompany the consultant invoice submitted to Tampa Bay Water. If the executed contract requires that a consultant pay a sub-consultant prior to requesting reimbursement for those costs, the sub-consultant invoice submitted must include the date paid by the consultant. The Sub-consultant/Outside Services invoice shall also adhere to the fee and cost standards

established by this policy. Reimbursement shall not be made for services or costs that do not comply with this policy or which do not have proper documentation including, but not limited to, invoices, time sheets, travel reports, paid receipts and so forth. Sub-consultant/Outside services include, but are not limited to, services such as rental of highly-specialized equipment which is not used routinely by the consultant, bulk printing of reports, bulk mailings, photography, placement of advertisements and laboratory fees. It does not include rental of vehicles, computers, purchase of software, travel or other expenses which are considered to be direct costs or general and administrative overhead and should be included in the established Rate or Fixed Fee. Reimbursement of lesser amounts or other exceptions is discouraged and requires written project manager approval prior to incurring the cost. The written approval must be itemized for each activity and occurrence. A copy of this prior written approval must be submitted to the Finance Department with the invoice requesting reimbursement.

G) **Direct Charges:**

Direct Charges, as referred to in C), are to be included in the established Rate or Fixed Fee and shall not be considered for additional reimbursement. These costs include, but are not limited to, the following:

- Computer time
- Use of any equipment owned by the consultant. (e.g. vehicles, monitoring equipment, cameras, etc.)
- In-house printing
- Research materials
- Telecommunications (e.g. phones, long distance, facsimiles, networking)
- Postage (including overnight, regular mail and courier services)
- Tolls
- Parking
- Gas
- Vehicle Mileage
- Meals (including business meetings)
- In-State Travel (including, but not limited to, airfare, car rental, hotel and taxi.

H) **Out-of-State Travel:**

For purposes of this policy, Out-of-State Travel is defined as travel between the State of Florida and another point outside the State of Florida by a consultant/sub-consultant or their employee (traveler) which occurs in the performance of tasks authorized by Tampa Bay Water. When an RFP/Bid covers services that require Out-of-State Travel, a provision may be included in the fee arrangement to reimburse the consultant for the Out-of-State Travel subject to the following limitations:

a) **Airfare/Mileage:**

Tampa Bay Water will reimburse the actual cost of round-trip airfare between the Out-of-State Metropolitan Area where traveler's assigned

office or residence is located and the Tampa Metropolitan Area or between the Florida Metropolitan Area where traveler's assigned office or residence is located and the temporary Out-of-State work location for each task assigned. If an assigned task requires a stay greater than one week, Tampa Bay Water shall reimburse (1) one additional round-trip airfare between traveler's assigned office area/residence and temporary work location for each included weekend or (2) the actual cost of hotel/lodging for the included weekend(s). Tampa Bay Water reserves the right to specify on a task by task basis whether it will reimburse weekend airfare or lodging depending on the length of time of the tasks and the expected cost. The Tampa Bay Water Project Manager shall make this determination when tasks are assigned. All airfare must be Coach Fare or lower and the lowest available fares and advance booking shall be utilized to minimize cost whenever possible when selecting airlines and schedules. Tampa Bay Water reserves the right to deny reimbursement of airfares that are excessive due to the failure of the traveler to either advance book or to use the most cost effective airlines when they had sufficient notification from Tampa Bay Water to do so.

If a traveler travels by private vehicle rather than air, they will be reimbursed the lesser of (1) the actual vehicle mileage traveled at the mileage rate currently in effect for Tampa Bay Water travelers or (2) the airfare that would have been charged had they elected to fly as determined by Tampa Bay Water.

b) Hotel/Lodging:

For work assignments of one week or less, Tampa Bay Water shall reimburse the actual cost of hotel room or comparable accommodations for the period beginning with the night before the first day of service to Tampa Bay Water and ending on the night of the last day of service to Tampa Bay Water. Nights before and after this period including holiday nights and weekend nights will not be reimbursed unless the consultant is actually working for Tampa Bay Water on the holiday or week-end days. If an assigned task requires a stay greater than one week, Tampa Bay Water shall reimburse for (1) one additional round-trip airfare between traveler's assigned office area/residence and temporary work location for each included weekend or (2) the actual cost of hotel/lodging for the included weekend(s) as described in a) above. If the assignment is to last for an extended period of time beyond one month and the traveler obtains lodging on a monthly basis which is clearly less costly than other lodging alternatives, Tampa Bay Water shall reimburse that lodging cost as well as the cost of one round-trip airfare per month for the traveler to return to their home. Reimbursement of actual hotel/lodging costs shall be limited to 115% of the GSA published per diem rate for the specific city or Metropolitan area plus applicable taxes. (See <http://policyworks.gov/org/main/mt/homepage/mtt/perdiem/perd03d.html> or www.gsa.gov "per diem rates".)

c) Shuttle/Taxi:

Tampa Bay Water will reimburse the cost of shuttle service/taxi from airport to hotel and between the hotel and temporary work location(s). Transportation to meal locations is included in the M&IE per diem and will not be reimbursed under this part. There will be no reimbursement for transportation from traveler's home or assigned office to airport, including the cost of airport parking.

d) Rental Car:

The cost of a rental car at the location of temporary assignment will be reimbursed when use of a vehicle is necessary or when it is the most cost-effective transportation available for commuting between hotel and work location(s). Reimbursement will be limited to economy or compact class of vehicles, except that another class may be used if the cost for the period of use is lower than or equal to the cost of the economy or compact class for the same period. Consultant must provide evidence of this cost savings. If another type of vehicle is required for the tasks assigned, this must be approved in writing by the project manager prior to reimbursement.

e) Meal and incidental expense (M&IE):

Meals will be reimbursed at the M&IE rate currently in effect as published by the General Services Administration (GSA) for overnight travel only. There will be no meal per diem for travel which does not include an overnight stay. A meal per diem will not be paid for weekends and holidays unless the traveler is actually working for Tampa Bay Water on those days and such hours of work are documented by an approved time sheet.

The M&IE allowance is established periodically by the GSA and varies by area of the country traveled to. Effective April 1, 2006 (for contracts resulting from requests for proposals or bids issued on or after that date) Tampa Bay Water will utilize the GSA rates in effect on that date, as approved by the Board of Directors. Subsequently, such rates will be adjusted to the GSA rates whenever the GSA publishes revised rates. The GSA normally changes its rates on October 1 of each year and may also make interim changes to the rate schedules. It shall be the responsibility of every traveler to check the current rates for their travel destination and dates of travel on the GSA website. www.gsa.gov. [Click on "e-tools", then on "Per Diem Rates".]

The full GSA M&IE rate will be paid for a full day (midnight to midnight) of travel. The traveler will be compensated at 75% of the full rate for the day of departure and the day of return. (E.g. if the full rate is \$39, the traveler will receive \$29.25 for the day of departure and \$29.25 for the day of return and \$39 for any intervening days.) If the cost of one or more meals is included in the registration fee for an activity, the per diem

payable to the traveler will be reduced for each meal so included based on the GSA's Meals and Incidental Expense Breakdown at www.gsa.gov.

The M&IE allowance includes the cost of meals and incidental expenses (tips at restaurants and hotels, tips for baggage handling and transportation between the business location and places where meals are taken). No further amounts shall be reimbursed for those items.

f) Supporting Documentation:

The following supporting documentation must be included with any request for reimbursement of Out-of-State Travel costs:

- (1) Tampa Bay Water Travel Reimbursement Form for Consultants, completed with dates and times of travel, days worked for Tampa Bay Water, detail of expenses incurred and business purpose.
- (2) Copy of airline ticket and boarding pass as proof of travel.
- (3) Copy of paid hotel/lodging bill.
- (4) Copy of receipt for taxi/shuttle if greater than \$10.00 individually or \$25.00 in the aggregate.
- (5) Copy of paid rental car invoice/agreement.

g) Travel Costs not listed in a) through e) or not documented in accordance with f) shall not be reimbursed.

h) Tampa Bay Water shall not reimburse the travel costs of any individual if the work assignment for that individual is expected to last longer than one year. (Such assignments are deemed indefinite in accordance with the Internal Revenue Service regulations and, as such, do not constitute deductible travel expenses to the traveler.)



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