

Facilities Engineering Division
Old Laundry Building
802-241-3742**MEMORANDUM**

To: All Engineering Consultants providing services to clients who are or will be receiving Step I, II and/or III Phase State Loans, Grants or EPA STAG funds

From: Larry Fitch, P.E., Director

Date: July 23, 2008

Subject: Required information on all bills or invoices for services rendered to loanees and grantees

Commencing immediately, this office will not approve reimbursement requests from loanees or grantees when, in the opinion of the FED Finance Section, copies of bills or invoices for engineering services rendered do not have the minimum information clearly identified on each. I have attached a form which depicts the information this office has determined to be the minimum necessary for processing reimbursement or payment approval of bills or invoices for engineering services.

This directive is issued for the following reasons:

- The FED Finance section, which processes loan & grant reimbursements for water supply, wastewater and storm water projects, has limited staff to efficiently and effectively process State Planning & Construction Loans, Grants & EPA STAGs and monthly payment reimbursement requests.
- Frequently, upon review of bills or invoices submitted, reimbursement is denied due to: 1) confusing identification of service rendered, 2) services are included that were not part of an agreement or amendment approved by the Water Supply Division (WSD) or this division, 3) services exceed the Lump Sum or Not-to-Exceed (NTE) limit approved by the state or 4) copies of sub-consultants bills or invoices are not attached.
- Bills or invoices are being submitted by a few loanees or grantees for engineering consultant services rendered many months previous, making it difficult to determine the appropriateness of the service.



- A few engineering consultants seek owner and subsequent state approval of amendments after the service has been performed, not prior to performing the service as required in all service agreements receiving state approval. This places loanees, grantees & FED staff in an unreasonable, compromising position. This practice should not be routine but reserved for emergency situations only.
- There has been an increase in the number of projects that are audited by external entities. This results in the need to insist upon receiving complete information that upon review, validates approval actions taken by all state staff.

Over recent years, the efficiency of the FED Financial Section staff has continuously improved. Our staff has expanded tremendously its use of electronic tracking, processing and filing of documents it generates in the course of completing their daily workload. When billing or invoicing questions or problems do arise, they often need to consult with the WSD & FED Design and Construction engineering staff who are managing the details of each project. These sections try to respond in a timely manner, in an attempt to avoid delays or having the questionable engineering bills or invoices denied by the FED Finance Section. Unfortunately, the frequency of such billing or invoicing issues has been steadily increasing, which unnecessarily ties up staff time and affects division efficiency.

This guidance is established to reduce or eliminate the number of engineering service bills or invoices that are partially or totally disapproved for reimbursement or payment (if VEDA payment is by two party checks). By placing tracking information on all bills or invoices (the contract amounts for each service, the type (LS or NTE), the previous amounts requested and the percent (%) complete of each service), the Owners and the FED staff will be able to better facilitate the needs of each project (if amendments appear necessary) and reduce the number of partial or total reimbursement denials that consumes additional FED staff time and adds a cost burden to the project owner's budget for short term financing.

As a minimum, the following information must appear on each engineering invoice/bill to project Owners expecting loan or grant reimbursement from the VT FED

Engineering Consultant's Letterhead

To: _____

Date: _____
 Invoice #: _____
 Billing period: _____ to _____
 Agreement date: _____

Project #: _____ Project Title: _____
 State Loan and/or Grant No.: _____

List all engineering service categories as they appear in the approved Agreement. If a lump sum (LS) fee, identify the total \$ for each service, the total previously billed, the amount due this billing period and the % complete including this billing. If a not-to-exceed (NTE) fee, identify personnel, hourly billing rate, hours and reimbursable expenses.

Engineering Step & Service *

<u>Step I Phase</u>	<u>Previously Billed</u>	<u>Due this period</u>	<u>Total to date</u>	<u>%</u>
Feasibility Study and Report				
Agreement: \$ _____ (LS)	\$ _____	\$ _____	\$ _____	_____
Other:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Amendments:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Preliminary Design:				
Agreement: \$ _____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Other:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Amendments:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
=====				
TOTAL Step I Phase	\$ _____	\$ _____	\$ _____	_____

As a minimum, the following information must appear on each engineering invoice/bill to project Owners expecting loan or grant reimbursement from the VT FED

<u>Step II Phase</u>	<u>Previously Billed</u>	<u>Due this period</u>	<u>Total to date</u>	<u>%</u>
Final Design				
Agreement: \$ _____ (LS)	\$ _____	\$ _____	\$ _____	_____
Other:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Amendments:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
TOTAL Step II Phase	\$ _____			
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	TOTAL	\$ _____	\$ _____	_____

<u>Step III Phase **</u>	<u>Previously Billed</u>	<u>Due this period</u>	<u>Total to date</u>	<u>%</u>
Bidding Services				
\$ _____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Construction Basic (including 1 year performance evaluation and 11th month inspection when required)				
\$ _____ (LS)	\$ _____	\$ _____	\$ _____	_____
Resident Project Representative:				
\$ _____ (NTE)	\$ _____	\$ _____	\$ _____	_____
Other:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
Amendments:				
List each service, \$ ____ (LS or NTE)	\$ _____	\$ _____	\$ _____	_____
TOTAL Step III Phase	\$ _____	\$ _____	\$ _____	_____

***Sub-consultant and other services:** provide the same billing/invoice information under the appropriate engineering service listing and attach a copy of their bill/invoice. (note: allowable engineer mark-up NTE 8%)

**** Construction Contract – Date of issuance of the “Notice to Proceed”:** _____
 Original Construction Contract Completion date: _____
 Latest Amended Construction Contract Completion date: _____

Certification statement: I certify that the services provided during this billing period are, to the best of my knowledge and belief, in accordance with the Agreement and any Amendments executed by the Owner and Engineer and as approved for funding by the State of Vermont.

By: _____
 (Engineer's signature)