



MEMORANDUM

TO: STATE WIDE DISTRIBUTION

FROM: MARCI GRAY, PROGRAM MANAGER, ENGINEERING CONTRACTS SERVICES

DATE: MAY 17, 2021

SUBJECT: FACILITIES CAPITAL COST OF MONEY (FCCM) GUIDANCE

The purpose of this memorandum is to provide guidance to the Consultant and CDOT Business offices on how to properly claim the Facilities Capital Cost of Money (FCCM) on invoices if the FCCM has been approved on the Consultants MPA.

The FAR 31.205-10(b)(3) provides, in part, that: "The estimated facilities capital cost of money is specifically identified and proposed in cost proposals relating to the contract under which the cost is to be claimed". Consulting firms are allowed to claim FCCM if the consulting firms propose the FCCM separately when they submit their rates for Audit Division's MPA review. The FCCM should NOT be included in the indirect cost rate which then becomes part of the total labor costs upon which the fixed fee for profit is determined. The FCCM is not an eligible cost for the determination of profit. The reason for the FAR 31.205-10(b)(3) provision that FCCM is to be separately stated is that FCCM is not an eligible cost for the determination of profit. FAR 15.404-4(b) (3) provides, in part, that: "Before applying profit or fee factors, the contracting officer shall exclude any facilities capital cost of money included in the cost objective amounts".

In calculating the FCCM the consultant must separately list the direct labor rate (raw hourly wage) then multiply that figure by the FCCM rate to arrive at their reimbursement. This would be a separate line item on their invoice to CDOT. An example of what a Consultant Invoice may look like when claiming the FCCM is attached. Please remember the most important concept is that the FCCM should never be added to the indirect cost rate.

Should you have any questions please do not hesitate to contact George Currie via email, George.currie@state.co.us or call, 303-512-4156.

Attachment: Example of Consultant Invoice (With FCCM)



Example Consultant Invoice
(Developed Based On The Use of CDOT MPA Billing Rates)

| <u>Direct Labor</u> | <u>Hours</u> <u>Worked</u> | <u>Hr/rate</u> | <u>Direct</u> <u>Labor</u> | <u>Billing Rate /</u> <u>Hour *</u> | <u>Labor Cost</u> <u>(\$)</u> | <u>Total Invoice</u> <u>Cost</u> |
|--|-------------------------------|----------------|-------------------------------|--|----------------------------------|-------------------------------------|
| Project Manager | 65 | \$125.00 | \$8,125.00 | \$288.38 | \$18,744.38 | |
| Senior Engineer | 45 | \$85.00 | \$3,825.00 | \$196.10 | \$8,824.28 | |
| Engineer | 64 | \$56.00 | \$3,584.00 | \$129.19 | \$8,268.29 | |
| Construction Inspector | 55 | \$78.00 | \$4,290.00 | \$179.95 | \$9,897.03 | |
| CADD Technician | <u>48</u> | <u>\$67.00</u> | \$3,216.00 | \$154.57 | <u>\$7,419.31</u> | |
| Total Direct Labor and Overhead | 277 | | \$23,040.00 | | <u>\$53,153.28</u> | \$53,153.28 |
| Direct Materials | | | | | | |
| Field Supplies | | | | | <u>\$5,000.00</u> | |
| Total Materials | | | | | | \$5,000.00 |
| Subconsultant Costs | | | | | | |
| XYZ Consultants | | | | | \$7,500.00 | |
| ABC Consultants | | | | | <u>\$5,000.00</u> | |
| Total Subconsultant Costs | | | | | | \$12,500.00 |
| Other Direct Costs | | | | | | |
| Mileage (\$.57 / Mile) | | | | | \$570.00 | |
| Car Rental (10 Site Visits) | | | | | \$3,500.00 | |
| Lodging (10 Site Visits / 2 staff) | | | | | \$2,600.00 | |
| Meals (10 Site Visits / 2 staff) | | | | | <u>\$1,500.00</u> | |
| Total Other Direct Costs | | | | | | \$8,170.00 |
| Fee / Profit (9.5% X \$53,153.28 Direct Labor and Overhead) | | | | | | \$5,049.56 |
| FCCM (.63% of Direct Labor \$23,040 See Note A) | | | | | | <u>\$145.15</u> |
| Total Cost and Fee | | | | | | <u><u>\$84,017.99</u></u> |

* = Billing Rate includes overhead @ 130.7%.

Note A: Consultant would have to compute and submit FCCM based on the application of FCCM Rate times the Direct Labor Hour base.