

Consultant Invoice Submittal Deadline

March 30, 2022

In October 2019, NDOT completed extensive revisions to standard language covering the payment and invoicing provisions for professional service agreements. These provisions are part of an exhibit attached to all agreements, called the *Fees & Payments Exhibit*. A summary of the changes was posted on NDOT's Consultant Services Updates webpage on October 24, 2019 ([link](#)). One such revision was a new requirement that consultants submit invoices within 90-days of incurring the cost. This change specified what it means to promptly submit invoices to the State. In addition, the change gave Responsible Charges (RCs) and Project Coordinators (PCs) sufficient and timely details concerning the progress and spending on the projects they oversee. Previously, NDOT agreements did not specify a deadline to submit costs and in some cases NDOT would see costs up to two years old. All new agreements prepared and issued after November 1, 2019, included the new *Fees & Payments Exhibit* with the 90-day invoicing deadline.

Over the past year about 3% of all invoices were submitted beyond the 90-day deadline. Based on this information the Department began to evaluate if the deadline could be increased while preserving the timeliness of invoice submittals. NDOT also received comments from our consultants outlining some of the difficulties they have had trying to meet the 90-day deadline, followed by requests to reconsider the deadline and extend it.

At the conclusion of this review, the Department has changed the invoicing deadline from 90 to 180 days.

The NDOT Project Coordinators may still direct consultants to submit invoices and progress reports that best meet the needs of the State, such as monthly, but having the flexibility of a 180-day deadline will provide consultants with the extra administrative time that may be necessary to accommodate reviewing and approving subconsultants costs or dealing with any unforeseen delays in the process.

NDOT expects all consultants to submit invoices monthly and as soon as practical after the close of the invoicing period when working on active projects, and most consultant invoices meets this expectation. For projects with little activity, a quarterly invoicing period may be more appropriate provided that the invoice is submitted as soon as practical after close of the invoicing period. Progress reports are an important part of the consultant's invoice submittal. Progress reports provide NDOT with a "touch point" on every consultant agreement and must be submitted no less frequently than quarterly.

Further points of clarification on when a consultant incurs costs that must be submitted by the invoicing deadline:

- Travel costs are deemed to have been incurred on the day the travel occurs.
- Subconsultant costs are deemed to have been incurred on the day the Subconsultant actually incurs the cost, not the day the subconsultant invoices the cost to the Consultant. We suggest all consultants specify timely invoice submittal requirements in their subconsultant agreements, with adequate margin to review, approve, and incorporate the costs into their invoices.

The new template Fees & Payments Exhibits and comparison documents can be viewed [here](#).

When is it changing:

This change will go into effect with all consultant agreements sent out for signatures beginning April 1, 2022.

Existing Agreements:

Though existing agreements will not be supplemented to switch from 90 to 180 days, NDOT will allow costs incurred by the consultant for up to 180 days before State receives the invoice.

If you have any questions about these changes, contact a member of our Consultant Services team.

-NDOT Consultant Services Team