

Form 164 - SRC Rates for New Employees

March 11, 2024

NDOT is excited to introduce **Form 164 – SRC Billing Rates Table for New Employees**. The purpose of this form is to standardize the process for establishing SRC billing rates for new employees in agreements that utilize the Specific Rates of Compensation (SRC) payment method, more specifically those agreements where the SRC billing rates were initially set using the firm’s most recent indirect cost rates. Form 164 will allow NDOT to easily verify new employees’ SRC billing rates and ensure they are placed into the appropriate billing period when added to projects, while simultaneously allowing Consultants to have a running list of all new employees added to the agreement. It is simple to complete and will clear up downstream discrepancies that result in audit findings for incorrect SRC billing rates or from using incorrect billing periods when adding new employees to active SRC Agreements.

Form 164 can be accessed on the Consultant Services website at; <https://dot.nebraska.gov/business-center/consultant/manuals-forms/>. With the appropriate data entered, the form will calculate and display each new employee’s SRC Billing Rate for each SRC Rate Period as prescribed by the agreement. Form 164 should be included with the first invoice package that contains direct labor from an employee that was not referenced on the original SRC rate sheet submitted with the initial fee proposal. Please submit the form as the last page of the invoice package.

An important aspect to SRC Billing Rates is that they are fixed when the agreement is executed and do not change over the life of the agreement. Since the services under an agreement are often needed longer than one year, NDOT establishes SRC Billing Rates for multiple years the agreement may be active. These years are termed the SRC Rate Periods and typically correspond to the firm’s normal annual pay raise schedule or fiscal year.

How to use Form 164 - SRC Billing Rates for New Employees:

Completing the form begins with obtaining the three required pieces of information from the original agreement (Figure 1, example below). This information does not change throughout the life of the agreement and will be the same each time a Form 164 is submitted on the agreement. Information includes: 1) Salary Escalation Factor, 2) New Employee Multiplier, and 3) End date of SRC Rate Period 1.

SRC Billing Rates		On-Call Roadway Design				
Date: <u>May 19, 2023</u>		Consultant: _____				
SRC Billing Rates Calculated based on:		Weighting:	SRC Rate Periods			
Overhead:	169.71%	90%	Period 1: NTP through:	<u>December 31, 2023</u>		
Profit Rate:	12.80%	10%	Period 2: Labor beginning:	January 1, 2024		
FCCM (if applies):	0.26%		Period 3: Labor beginning:	January 1, 2025		
Salary Escalation Factor:	<u>5.0%</u>		Period 4: Labor beginning:	January 1, 2026		
		100%	% of work estimated during each period			
SRC BILLING RATE per employee		New Employee Multiplier = <u>3.04</u>				
Employee Name	Current Rate	SRC Billing Rate				% Assigned
		Period 1	Period 2	Period 3	Period 4	

Figure 1. Data from original agreement fee proposal

Next, enter the information for each new employee when they are first added to the Staffing Plan:

- 1) Name
- 2) Job title or classification
- 3) Date added to the Staffing Plan
- 4) Actual hourly salary rate of employee when added to the Staffing Plan

An example of a completed Form 164 is show below. In the example, two employees were added at different times throughout the life of the agreement. Of special note is that since John Smith was added to the Staffing Plan on 2/8/2025 (during Period 2), he does not have an SRC Billing Rate established for Period 1.

SRC Billing Rates Table for New Employees				NDOT Form 164					
Date: February 20, 2025				Agreement No.: XK2400					
NEW Employee Multiplier: 3.04		Salary Escalation Factor: 5.00%		SRC Rate Periods (must match original agreement)					
<small>[1] Salary Rate entered for each employee should be the rate effective on the date they first worked on the project. <small>[2] Enter date new employee first worked on project.</small> </small>				Period 1: NTP through: December 31, 2024 Period 2: Labor beginning: January 1, 2025 Period 3: Labor beginning: January 1, 2026 Period 4: Labor beginning: January 1, 2027					
SRC BILLING RATES for employees not listed in original agreement, rounded to the nearest \$0.10 <small>rev. 2-05-2024</small>									
4 Employee Name		5 Job Title/Classification		6 ^[1] Actual Salary Rate	7 ^[2] Date Added	SRC BILLING RATES			
						Period 1	Period 2	Period 3	Period 4
Angie Florida		Project Manager		\$60.40	3/4/2024	\$183.60	\$192.80	\$202.40	\$212.50
John Smith		Engineer		\$45.21	2/8/2025		\$137.40	\$144.30	\$151.50

Figure 2. Example Form 164

This pattern would be followed throughout the life of the Agreement. All new employees will be listed on one document making access to this information easily accessible. Form 164 will standardize the invoicing process from inception to completion for new employees added to SRC agreements while eliminating the need to search through multiple years' worth of invoices to locate when, and at what rate, a new employee was added to the project.

-NDOT Consultant Services Team

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