ADOT
Intermodal Transportation

Janice K. Brewer, Governor
John S. Halikowski, Director
Jennifer Toth, State Engineer
Robert Samour, Senior Deputy State Engineer, Operations
Dallas Hammit, Senior Deputy State Engineer, Development

INFORMATION BULLETIN NO.: 15-01

DATE: July 10, 2014

TO: Consultant Engineering Firms
ADOT Project Managers
Resident Engineers

FROM: Engineering Consultants Section (ECS)

SUBJECT: Cost Proposal Rounding Policy

Previously, ECS did not have a policy related to the rounding of contract submittals made to the department. In an effort to improve consistency, effective immediately, ECS has implemented the policy that ***all contract submittals made to ECS shall not have any rounding applied by the Consultant/Contractor***. All submittals shall reflect the actual monetary costs to the hundredths decimal position or more commonly known as the second decimal place. ECS will apply the rounding to the Consultant's/Contractor's proposed final amount for all contract submittals, and that rounded amount will become the total on all executed contract documents. These contract submittals may include, but are not limited to cost proposals and contract modifications. This new policy will align with the rounding methodology currently used in the online cost proposal module, and in the future contract modification modules.

Because of the nature of cost proposals and contract modifications for Cost Plus Fixed Fee and Cost Plus Fixed Fee by Task Order contracts, any overage/shortage due to the rounding of the Consultant's/Contractor's total proposed amount will be applied to the Prime Consultant's/Contractor's Direct Labor category only. All Lump Sum, Lump Sum by Task Order, Cost Per Unit of Work, and Specific Rate contracts will have any overage/shortage due to the rounding of the Consultant's/Contractor's total proposed amount applied to the Prime Consultant's/Contractor's final total executed amount.

This policy also applies to all Subconsultants, Tier-Subconsultants, Subcontractors, and Vendors utilized by a Prime Consultant/Contractor on any ECS contract.

If you have any questions regarding this bulletin, contact ECS at (602) 712-7525.

Michael J. DenBleyker, P.E.
Manager
Engineering Consultants Section