



INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue
Room N758 – Executive Office
Indianapolis, Indiana 46204

Eric Holcomb, Governor
Michael J. Smith, Commissioner

Memorandum

To: INDOT Consultant Firms
From: INDOT Division of External Audit
Date: June 17, 2024
Subject: **Consultant Firm Direct Hourly Billing Rate Notice**

INDOT and our consulting partners have a long history of cooperation regarding the metrics that are considered and applied to generate annual labor rates and maximum allowable reimbursements. For over a decade, the US Department of Labor's Table 9 ECI index for Wages and Salaries for "Professional, Scientific, and Technical Services" has been the mutually agreed upon standard used to establish the annual rate increase for professional services contracts. This year, the Table 9 ECI average increase was reported as 3.6%.

Continuing our cooperative effort of keeping Indiana competitive, we've taken a closer look at the present economic environment and concluded a one-time increase of 0.3% points above the Table 9 rate would be appropriate. This decision is unique to the current environment and should not establish expectations that subsequent years' increases will be higher than the index provided in Table 9.

Effective July 1, 2024, the annual labor rate adjustment shall be 3.9% and the maximum allowable reimbursement, without executive approval, for consultant's incurred direct labor shall be \$82.34 per hour.

These new rates shall apply to all INDOT contracts signed on or after July 1, 2024 through June 30, 2025 and are not retroactive for contracts signed before July 1, 2024 unless indicated by an explicit clause in the contract. The annual labor rate adjustment and maximum allowable reimbursement affects contract agreement and amendment hourly rate escalation terms as provided in the relevant contract types.

Lyndsay Quist, Deputy Commissioner
Indiana Department of Transportation