



INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue
Room N749
Indianapolis, Indiana 46204

Mike Braun, Governor
Lyndsay Quist, Commissioner

Memorandum

To: INDOT; Consultant Firms
From: INDOT Division of Economics and External Audit
Date: May 23, 2025
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.

Due to budget constraints and in alignment with the decision to not increase State employee salaries, INDOT will offer 0% ECI for professional services contractors in FY26.

Effective July 1, 2025, the annual labor rate adjustment shall be 0%, and the maximum allowable reimbursement, without executive approval, for consultants incurred direct labor will remain \$82.34 per hour.

These new rates shall apply to all INDOT contracts signed on or after July 1, 2025 through June 30, 2026 and are not retroactive for contracts signed prior to July 1, 2025, 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, Commissioner
Indiana Department of Transportation