

110.10 REIMBURSEMENT PROGRAM

110.20 REIMBURSEMENT OF CONSULTANT ENGINEERING EXPENSES

110.30 REIMBURSEMENT OF RIGHT-OF-WAY EXPENSES

110.40 REIMBURSEMENT OF CONSTRUCTION EXPENSES

110.50 REIMBURSEMENT OF LPA INCURRED EXPENSES

110.60 ELIGIBLE AND NON-ELIGIBLE ITEMS

110.70 PROJECT RETENTION AMOUNT

110.10 REIMBURSEMENT PROGRAM

It is important that federal funding for LPA projects is not disbursed as a grant. Instead, all project expenses are paid directly by the LPA. The LPA then submits a request for reimbursement of eligible expenses to the NDOR Urban Engineer.

Reimbursements of federal funding are made per the financial stipulations outlined in the LPA/NDOR agreement. Payment will be made to the LPA upon satisfactory submittal of all documentation supporting the reimbursement requests.

The LPA is responsible for ensuring that all expenses submitted for reimbursement are eligible for federal participation. All requests for reimbursement for preliminary engineering and right-of-way expenses should be submitted to the NDOR Urban Engineer for review, approval, and processing. All reimbursement requests for construction and/or construction engineering should be sent to the NDOR State Representative assigned to your project for review. Upon State Representative approval, the reimbursement request will be forwarded to the NDOR Urban Engineer for review and processing.

All reimbursement requests must contain proper documentation supporting the payment of eligible expenses. The required documentation for each project phase is generally described in this section below. Please understand that additional supporting documentation may be needed under special circumstances.

110.20 REIMBURSEMENT OF CONSULTANT ENGINEERING EXPENSES

If a consultant is hired to perform engineering services on a project, the LPA will make payment for work done via invoices submitted by the consultant at monthly intervals. These invoices vary in format dependent on the method of payment used, as listed in the LPA/Consultant agreement.

Cost Plus Fixed Fee

The invoices must present actual direct labor, actual overhead, and actual direct non-labor costs, as well as a prorated amount of the fixed fee. The prorated fixed fee amount shall be based upon the actual direct labor and overhead costs billed for that period relative to the consultant's estimated total direct labor and indirect non-labor costs. The invoice must indicate the hours worked and each individual's actual labor cost. Direct non-labor expenses must be clearly indicated on the invoice, as well as the project name, project number, and indication of pertinent work phase.

Monthly invoices must be substantiated by progress reports which indicate the percent of work completed. If the consultant does not submit a monthly invoice, it shall submit its progress report by the fifth day of each month.

Lump Sum

The periodic invoices submitted by the consultant must be based upon actual completion of the work as indicated in the consultant scope of services and must be substantiated by progress reports indicating the percent of work completed. The invoices must present the dates of service, project name, project number, and indication of pertinent work phase. If the Consultant does not submit a monthly invoice, the Consultant shall submit the progress report by the fifth day of each month.

Submittal Requirements

The LPA must submit the following documentation when requesting reimbursement for consultant engineering expenses:

- Letter from LPA requesting reimbursement for expenses
- Copy of engineering invoice with detailed breakdown of expenses and percentage of project complete (progress report)
- Proof of payment

110.30 REIMBURSEMENT OF RIGHT-OF-WAY EXPENSES

Right-of-Way expenses will not be reimbursed for any tract until all required documentation as outlined in Section 80 is submitted to, and approved by, the NDOR Urban Engineer and NDOR Right-of-Way Division. All miscellaneous expenses incurred by the LPA while acquiring ROW, which are submitted to NDOR for reimbursement, must be accompanied by pertinent documentation to substantiate reimbursement. If the LPA hires a consultant to perform ROW acquisition activities, the invoice and submittal requirements would be as listed in Section 110.20 of this book.

Submittal Requirements

The LPA must submit the following documentation when requesting reimbursement for right-of-way expenses:

- Letter from LPA requesting reimbursement for expenses
- Copy of all documentation as required in section 80 of this book, along with any additional supporting documentation to substantiate the request
- Proof of payment

110.40 REIMBURSEMENT OF CONSTRUCTION EXPENSES

The contractor is paid by the LPA through monthly “progress estimates” and the LPA then submits documentation to NDOR for reimbursement. Progress estimates must be based on measurements of work performed so that the contractor can be fairly compensated and public funds will not be expended on work that has not been done.

Progress payments should be prepared on a pre-selected day each month. The LPA or their engineering consultant must document the quantities paid on a “progress estimate”. The LPA’s Engineer prepares the contractor’s progress estimate stating the estimated quantities for items of completed work to date and presents it to the LPA governing authority (e.g. city council, county board) for payment. The LPA pays the estimate and submits the estimate to NDOR (through the State Representative) for reimbursement no more often than monthly. The NDOR State Representative reviews the estimate and sends a billing to the Urban Engineer for processing. The billing should include a copy of the progress estimate and other pertinent documents, such as an invoice for materials payments if materials are stockpiled on the project. The progress estimate must contain the dates of service, the project name and project number. Any non-eligible items must be broken out in a clear and concise manner as to avoid confusion on these items.

Non-betterment utility rehabilitation is an eligible expense providing that the costs are in accordance with Section 80 of this book. All utility invoices must clearly state the work completed with a comprehensive itemized breakdown of expenses.

Submittal Requirements

The LPA must submit the following documentation when requesting reimbursement for construction expenses:

- Letter from LPA requesting reimbursement for expenses
- Copy of progress estimate and any other pertinent supporting documents
- Proof of payment

110.50 REIMBURSEMENT OF LPA INCURRED EXPENSES

Expenses incurred by the LPA in regards to the project shall be considered a part of the project costs and are eligible for reimbursement, contingent upon NDOR approval of expenses. The LPA must submit documentation supporting the expenses and must be able to provide adequate proof that the costs were incurred on the project in question.

All City employee wage reimbursement requests must include the project description, project number, pertinent work phase, dates of service and the individual's name, position, and exact actual wage rate. Any multiplier used must be listed and an explanation given as to the nature of the multiplier. Proof of payment will be required for all general expenses.

Submittal Requirements

The LPA must submit the following documentation when requesting reimbursement for incurred expenses:

- Letter from LPA requesting reimbursement for expenses
- Copy of supporting documentation including payroll records, invoices, expenditure vouchers, etc.
- Proof of payment

110.60 ELIGIBLE AND NON-ELIGIBLE ITEMS

In order for any particular work phase to be eligible for federal participation, the LPA must request funding for that work phase when programming the project. All eligible work phases are as specified in the City/State agreement. In order for an expense to be eligible for reimbursement on any particular work phase, all requirements as indicated in this book must be met and all federal and state regulations must have been followed.

Included in this section are examples of eligible and non-eligible items on federally funded projects. This list is not a comprehensive list, but is intended to assist the LPA in determining whether items are eligible for federal participation.

Example Eligible Items

- Office supplies purchased for use on a specific project
- Vehicle mileage while performing work for a specific project (at per diem rate)
- Court fees incurred to obtain ROW via condemnation for a specific project
- Telephone charges while performing work for a specific project
- Photocopy charges when performing work for a specific project
- Consultant services and charges in accordance with the city/consultant agreement (approved by NDOR)
- Construction change orders approved by the NDOR District Office

Example Non-Eligible Items

- Telephone usage when discussing non-project specific matters
- Expenses incurred prior to notice to proceed for any work phase
- Employee wages when working on a non-eligible work phase
- Right-of-way takings that are not absolutely necessary for project construction

- Consultant work that is outside of the scope of services in the city/consultant agreement
- Consultant fees that differ from the fee schedule in the city/consultant agreement
- Construction change orders not approved by NDOR

110.70 PROJECT RETENTION AMOUNT

Project retention is a pre-specified percentage of project costs that is withheld by NDOR from reimbursement to the LPA. The amount and manner in which retention is withheld is stated in the city/state agreement. Project retention is held on almost every federally funded project.

The standard amount of retention withheld is 5 percent of the federal share of project costs. In this case, the State will pay 95 percent of the Federal share (typically 80 percent) until 95 percent of the contractor's costs, or 95 percent of the maximum Federal share has been reimbursed.

The final settlement between the State and the LPA will be made after final review and approval by the State. At that time, the project retention withheld to date will be paid to the LPA less any State incurred expenses.