Risk-Based Invoicing

PRESENTED BY:
District 4 Local Assistance

History

• Invoices Submitted Directly to LPA (Local Programs Accounting)
• Shifted Invoice Review to District
  – Added review for eligibility
• District and Local Agencies wanted an improved process to reduce effort, processing time, and rejection rate
• Risk-Based invoicing team was formed
RBI Goals

• Reduce the level of effort for Agencies, District and LPA in processing and reviewing invoices
• Create consistency statewide in Invoice processing

RBI Team

• HQ Division of Local Assistance
• District Local Assistance Engineers
• Local Programs Accounting
• Audits and Investigations
• Local Agencies
• RTPA/MPO
• FHWA
RBI References

• Local Assistance Procedures Manual (LAPM), Chapter 5 Accounting/Invoices
  http://www.dot.ca.gov/hq/LocalPrograms/lam/lapm.htm

• Division Local Assistance Office Bulletins, DLA-OB 14-05 - Risk-Based Invoicing
  http://www.dot.ca.gov/hq/LocalPrograms/DLA_OB/2014/ob14-05.pdf

Invoicing Process

• No changes to the process
  – Agency performs work
  – Agency submits Invoice to District
  – District reviews and submits approved invoice to LPA (Local Programs Accounting)
  – LPA reviews and submits processed invoice to SCO (State Controller’s Office)
  – SCO issues warrant/EFT (Electronic Fund Transfer)
RBI Documents

• **Invoice:** LAPM Exhibit 5-A *Sample Federal Aid Invoice*, or equivalent (no change)

• **Checklist:** DLA-OB 14-05, Attachment A, *Local Agency Invoice Review Checklist* (RBI addition)
  » Local Agency certifies the accuracy of the invoice
  » District Engineer reviews and concurs with payment of invoice

• **Summary:** DLA-OB 14-05, Attachment B1-B4, *Billing Summary*, or equivalent (RBI addition/revision)
  » Provide summary templates for statewide consistency
  » Revise as necessary, without omitting required information

• **Attachments:** Attachments required by DLA-OB 14-05, Attachment A, *Local Agency Invoice Review Checklist* (if not previously submitted)

RBI Submittal Package

<table>
<thead>
<tr>
<th>Documents</th>
<th>Progress Invoice</th>
<th>Final Invoice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invoice</td>
<td>1 Original, 2 Copies</td>
<td>1 Original, 3 Copies</td>
</tr>
<tr>
<td>Local Agency Invoice Review Checklist</td>
<td>1 Original, 1 copy</td>
<td>1 Original, 2 copies</td>
</tr>
<tr>
<td>Billing Summaries</td>
<td>2 Copies</td>
<td>3 Copies</td>
</tr>
</tbody>
</table>
Local Agency Invoice Review Checklist

Footnote:
This Local Agency Invoice Review Checklist acts as the Caltrans "receiving record" for this invoice.

Invoice Review Check List Continued

Page 7 of 8
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

1. Verify project funding agreement (e.g., program supplemental agreement) has been executed by Caltrans and Local Agency has received copy of executed agreement

2. Local Agency Invoice Package format/content/support documentation is consistent with DLA OB 14-05 and Chapter 5 “Accounting/Invoices” of Local Assistance Procedures Manual (LAPM)
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

3. CTC Allocation (or SB184/LONP letter- Letter of No Prejudice) and/or Federal Authorization to Proceed (E-76) is prior to beginning reimbursable work/advertising construction contract

Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

4. Work performed/costs invoiced are consistent with approved project scope/limits of CTC Allocation and/or E-76
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

5. Phase(s) of work/fund types and amounts/reimbursement rates are consistent with state approved project Finance Letter

Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

6. Work performed in accordance with STIP Timely Use of Funds (TUF) deadlines, Invoice Package submitted to Caltrans in time (April 15 of fund reversion year) to comply with Department of Finance (DOF) fund reversion/Cooperative Work Agreement (CWA) deadlines
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

7. All consultant agreements/amendments follow the procurement and Caltrans oversight processes as outlined in LAPM Chapter 10:
   • LAPM Exhibit 10-C, "Consultant Contract Reviewer’s Checklist", has been completed and is in the local agency project files.

7. Continued
   • For contracts over $150,000, LAPM Exhibit 10-K(s) “Consultant Certification of Costs and Financial Management System” has been submitted to Caltrans A&I:
     
     Department of Transportation
     Audits and Investigations, MS 2
     Attention: External Audit Manager
     P.O. Box 942874
     Sacramento, CA 94274-0001

   • For federally funded projects, LAPM Exhibits 10-O1 "Consultant Proposal DBE Commitment” and/or 10-O2 "Consultant Contract DBE Information", are also included in local agency project files
7. Continued

- A copy of the executed consultant contract along with these exhibits have been forwarded to DLAE within 30 days of contract award or concurrent with first consultant invoice, whichever is earlier

Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

8. Construction Contract Award Package (see Chapter 15 LAPM) forwarded to DLAE within 60 days of award or concurrent with first construction invoice, whichever is earlier
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

9. Construction Contract Change Orders (federally eligible, DLAE reviewed/concurred)

Footnote:
Local Agency must demonstrate that completed construction work is consistent with the level of federal and/or state funds invoiced (see Attachment B-3, "Billing Summary/Cost to Date")
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

11. Invoiced amount shall be greater than 2% of the total federal and/or state funds or $1,000, whichever is greater, unless authorized by the DLAE (e.g., to prevent the loss of federal funds)

Footnote:
Per MTC Resolution 3606 Regional Project Delivery Policy Guidance agencies must submit a valid invoice at least once every 6 months (also required in Master agreement and PSA with Caltrans) but should not submit an invoice more than quarterly

November 2014

Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

12. Total invoiced funds do not exceed amounts allocated/authorized by the CTC and/or E-76 (less retention amount)

Footnote:
For Construction phases, the state shall withhold the greater of two (2) percent of the total federal/state funds encumbered for each funding agreement, or a minimum of $40,000 (unless otherwise authorized by the DLAE), until after the Local Agency submits the Final Report of Expenditures (FROE)

November 2014
Section 1 – Checklist Items to be Completed by Local Agency / Concurred by Caltrans

13. Submittal of Local Agency Invoice, signed Local Agency Invoice Review Checklist, and Billing Summary with appropriate documentation

Footnote:
A "Billing Summary" (see Attachment B) must be submitted with each Local Agency invoice unless an acceptable alternative is authorized by the DLAE

Section 2 – Local Agency Invoice Certification / Comments

By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursement, and cash receipts are for the purposes and objectives set forth in the terms and condition of the Federal/State award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise. (U.S. Code title 18, section 1001 and Title 31, Sections 3729-3750 and 3801-3812). I certify that the costs claimed follow pertinent program guidelines, and all Federal/State regulations. All consultant and contractor agreements have been reviewed and approved in accordance with the LAMC Chapter 10 “Consultant Selection” and Chapter 11 “Administer Construction Contracts”. I understand that Caltrans may review this invoice and supporting documentation for reasonableness at this time and that all invoice related documentation is subject to future detailed review by the Federal Highway Administration (FHWA) and/or Caltrans.

Signature of Responsible Local Agency Representative

Date

Printed Name and Title

Local Agency Contact Name

E-mail Address

Phone No.

Local Agency Comments:
### Billing Summary Support Phases

<table>
<thead>
<tr>
<th>Name of Agency</th>
<th>Project Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Federal Project Number</th>
<th>Appropriation Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Labor Costs

<table>
<thead>
<tr>
<th>Date From</th>
<th>Date To</th>
<th>Name</th>
<th>Title/Classification</th>
<th>Hours</th>
<th>TOTAL LABOR (participating)</th>
<th>PE</th>
<th>ROW</th>
<th>Support</th>
<th>CE</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/15/14</td>
<td>5/15/14</td>
<td>John Smith</td>
<td>Project Manager</td>
<td>8</td>
<td>1497.17</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/1/14</td>
<td>5/31/14</td>
<td>Brenda Jones</td>
<td>Senior Engineer</td>
<td>151</td>
<td>8138.54</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4/1/14</td>
<td>6/30/14</td>
<td>Assistant Engineer</td>
<td>322</td>
<td>7230.25</td>
<td>7230.25</td>
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<tr>
<td>4/16/14</td>
<td>6/30/14</td>
<td>Engineering Tech</td>
<td>76</td>
<td>3744.04</td>
<td>3398.72</td>
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<td>345.32</td>
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<tr>
<td>6/16/14</td>
<td>6/30/14</td>
<td>Office Assistant</td>
<td>10.5</td>
<td>216.11</td>
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Subtotal Labor: $20,826.11 $20,480.79 $345.32 $0.00

#### Direct Costs

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<tr>
<th>Date From</th>
<th>Date To</th>
<th>Vendor Name</th>
<th>Description</th>
<th>Invoice No.</th>
<th>Invoice Total</th>
<th>PE</th>
<th>ROW</th>
<th>Support</th>
<th>CE</th>
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<tbody>
<tr>
<td>6/15/14</td>
<td>6/30/14</td>
<td>Publication A</td>
<td>RFP</td>
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<td>7145.65</td>
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<tr>
<td>4/17/14</td>
<td>4/30/14</td>
<td>DPS</td>
<td>Postage</td>
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<tr>
<td>1/1/14</td>
<td>3/31/14</td>
<td>Consultant A</td>
<td>Design Services</td>
<td>12209.93</td>
<td>3995.32</td>
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<tr>
<td>1/1/14</td>
<td>3/31/14</td>
<td>Consultant B</td>
<td>Biological Studies</td>
<td>5121.85</td>
<td>2915.54</td>
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<tr>
<td>1/1/14</td>
<td>6/30/14</td>
<td>Consultant D (DBE)</td>
<td>Project Management</td>
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</table>

Subtotal Direct Costs: $8,202.67 $0.00 $1,957.32
### Billing Summary R/W

**Federal Project Number:**

**Appropriation Codes:** (Add lines as necessary for multiple appropriation codes)

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>TOTAL</th>
<th>Non-Participating Amount</th>
<th>Participating Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquired Parcels</td>
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<td></td>
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</tr>
<tr>
<td>RAP (Family)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RAP (Business)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Last Resort Housing/Hardship</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Utilities</td>
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<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**November 2014**

### Billing Summary - Construction

**Name of Agency**

**Project Title**

**Federal Project Number:**

**Appropriation Codes:** (Add lines as necessary for multiple appropriation codes)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Participating%</th>
<th>Imts</th>
<th>Estimated Quantity</th>
<th>Contract price</th>
<th>Total Authorized amount</th>
<th>Iqtr</th>
<th>Iqtr %</th>
<th>Amount</th>
<th>Iqtr %</th>
<th>Amount</th>
<th>Iqtr%</th>
<th>Amount</th>
<th>Percent</th>
<th>Total Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>General Obligation</td>
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<td>1</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>100</td>
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<td>12,000.00</td>
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</tr>
<tr>
<td>2</td>
<td>R&amp;D</td>
<td></td>
<td>1</td>
<td>12,000.00</td>
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<td>100</td>
<td>12,000.00</td>
<td></td>
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</tr>
<tr>
<td>3</td>
<td>Staffing Materials</td>
<td></td>
<td>1</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>12,000.00</td>
<td>100</td>
<td>1</td>
<td>12,000.00</td>
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<td>12,000.00</td>
<td>100</td>
<td>12,000.00</td>
<td></td>
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</tr>
<tr>
<td>4</td>
<td>Utilities</td>
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<td>1</td>
<td>12,000.00</td>
<td>12,000.00</td>
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<td>100</td>
<td>1</td>
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<td>12,000.00</td>
<td>100</td>
<td>12,000.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**November 2014**
Non-Infrastructure Projects

• The Non-Infrastructure project Billing Summary is similar to the Support Phases Summary. However, the difference is that each charge needs to be tied to a Task identified in the work plan
• NI Eligible costs guidance:


Invoice Template
Invoice Template

Preliminary Engineering Indirect Costs

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2012-2013</th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Cost Base Expense</td>
<td>$1,994.00</td>
<td>$673.82</td>
</tr>
<tr>
<td>Approved Indirect Cost Rate</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$602.64</td>
<td>$222.36</td>
</tr>
<tr>
<td>Total Indirect Costs to Date for Preliminary Engineering</td>
<td>$825.00</td>
<td></td>
</tr>
</tbody>
</table>

Construction Engineering Indirect Costs

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2012-2013</th>
<th>2013-2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Cost Base Expense</td>
<td>$4,756.23</td>
<td>$1,185.07</td>
</tr>
<tr>
<td>Approved Indirect Cost Rate</td>
<td>31%</td>
<td>33%</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$1,474.43</td>
<td>$391.07</td>
</tr>
<tr>
<td>Total Indirect Costs to Date for Construction Engineering</td>
<td>$1,865.50</td>
<td></td>
</tr>
</tbody>
</table>

I certify that the work covered by this invoice has been completed in accordance with approved plans and specifications; the costs shown in this invoice are true and correct; and the amount claimed, including retention as reflected above, is due and payable under the terms of the agreement.

Signature, Title and Unit of Local Agency Representative

Phone No.

For questions regarding this invoice, please contact:

Name Phone No.

Tips:
- Use USPS standard first class mail
- Express courier services are not recommended; they are higher in cost and often take longer to arrive at your DLAE inbox
- Do not Send Invoices to the District Director

Invoice Submittal

- Invoices should be submitted to:

  Name of Caltrans Area Engineer
  Attn: Bakari Akil
  California Dept. of Transportation
  Office of Local Assistance
  P.O.Box 23660,MS 10-B
  Oakland, CA 94612-0660
District 4 Tracking Database

Local Programs Accounting Tracking
http://www.dot.ca.gov/tmp/lapsintropage.html
http://www.dot.ca.gov/hq/payhist/index.php/search/search_pay

Type FPN in Project Name field
Example: 6264(050)

List of Invoice Payments
Use this cover page shown below for inactive projects

INVOICE FOR INACTIVE PROJECT
PLEASE EXPEDITE!

Time Line for Invoice Processing

Invoice Received by D4 Local Assistance
Payment made by SCO

LPA = Local Programs Accounting
SCO = State Controller’s Office

10 Days 20 Days 15 Days 15 Days
60 Calendar Days

November 2014

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Tips: Submittals to Remember

Federally Funded **Consultant Service Contracts**: Submit the following within 30 days of contract award.

1. Copy of executed consultant agreement(s).
2. Exhibit 10C “Consultant contract reviewers checklist”
3. Exhibit 10-O1 “Consultant proposal DBE commitment”
4. Exhibit 10-O2 “Consultant contract DBE Information”
5. Consultant contracts > $150,000, Agency submits Exhibit 10-K to Caltrans Audits and Investigations.

Federally funded **construction contracts**: Submit the following within 60 days of contract award.

1. Exhibit 15-L “Local agency contract award checklist”.
2. Exhibit 15-M “Detail Estimate”
3. Exhibit 15-N “Finance Letter”
4. Exhibit 15-B “Resident Engineer’s construction contract administration checklist”
5. Exhibit 15-G “Copy of the local agency bidder DBE information”

Questions