



## INSTRUCTIONAL MEMORANDUM

GENERAL SUBJECT:  <b>Consultant Project Vehicles</b>	NUMBER:  <b>IM-24-01</b>
SPECIFIC SUBJECT:  <b>Advance Agreement for Reimbursement of Consultant Project Vehicles</b>	EFFECTIVE DATE:  <b>05/20/2024</b>
	SUPERSEDES:  <b>N/A</b>

APPROVED: DocuSigned by:

A blue ink signature of a person named Scott, written over a blue rectangular stamp.

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### Purpose

The purpose of this Instructional Memorandum (IM) is to provide guidance to the consultant community on VPRA's policies regarding reimbursement for preauthorized project vehicles. Vehicle specifications and requirements are also addressed within this IM. This IM is effective for consultant contracts awarded after the effective date shown above and for Work Plans and Task Orders entered into after the effective date shown above.

### Construction

This IM is to be read in conjunction with the Contract Documents. Wherever a conflict exists between this IM and the Contract Documents, the terms and conditions of the Contract Documents shall prevail.

#### **A. VEHICLE PAY RATE AND ADMINISTRATION OF PAYMENT**

Consultants that are regularly required to have personnel physically present within VPRA work zones or on construction sites as part of their contractual obligations with VPRA, will be eligible for reimbursement for company-issued vehicles in accordance with this IM, provided preauthorization has been provided by VPRA. Payment for project vehicles shall be considered a non-salary direct cost that is a flat fee at the fixed monthly rate of **\$750.00**, which will be adjusted upward annually by **3%** on each anniversary date of this IM.

The fixed monthly rate is calculated to include only ownership costs. As such, project mileage will be paid using the reduced mileage rate as identified in the then-current edition of the *Virginia Department of Transportation's Construction Division's Annual Mileage Reimbursement Rate Memorandum*. The reduced mileage rate shall be full compensation for all operating cost to include but not be limited to insurance, maintenance, taxes, tags, decals, registration, and fuel.

Project-related mileage shall be recorded on mileage logs and include the name of the driver, VIN, make and model, project number, destination, business purpose, and odometer readings (start, stop, total miles per day). Mileage logs shall be submitted with Consultant's monthly invoicing to VPRA and be retained in accordance with the Contract requirements.

Unless otherwise authorized by VPRA, mileage must originate from an office location affiliated with Consultant (exclusive of employee home offices), which, whenever practicable, shall be Consultant's office nearest to the Project site. Commuter mileage of Consultant's employees is not reimbursable and must be excluded from Consultant's invoicing to VPRA.

The fixed monthly rate set forth in this IM contemplates 100% allocation of the vehicle to the VPRA contract on which reimbursement has been authorized. Consultant shall pro rate the fixed monthly rate in instances where the vehicle is allocated to other projects or otherwise not allocated to the VPRA contract on a full-time basis.

## **B. VEHICLE SPECIFICATIONS AND REQUIREMENTS**

Base specifications for project vehicles are as follows:

<b>Specifications for Project Vehicles</b>	
Vehicle Class	Mid-Size Sport Utility Vehicle (or better)
Key Features	4-door, 5-passenger, four-wheel drive (4x4) or all-wheel drive (AWD)

Consultant's vehicles must be in in good working order and be no more than five (5) years old at any time during the duration of the Contract. Vehicles allocated to a project must meet all legal requirements applicable to titling, registration, and inspection, as well as vehicle idling laws, wherever applicable. Project vehicles shall be inspected daily and be free from leaks. Any vehicle found to be in an unsafe operating condition and/or exhibiting leaks shall be immediately removed from service. All project vehicles shall be outfitted with a roadside safety kit and equipped with such additional safety features as may be designated in the Contract Documents.

The Project Manager named in the Contract may authorize a vehicle substitution on a case-by-case basis. Consultant is also free to use a vehicle which exceeds the base specifications set forth above provided such vehicle also meets the requirements enumerated in this Section B. Notwithstanding the foregoing, in no event will the reimbursement to Consultant exceed the prevailing fixed monthly rate set forth in Section A of this IM.

## **C. PARKING EXPENSES**

Reimbursement for job site parking will be addressed on a case-by-case basis and is subject to preapproval by VPRA. To be considered for parking reimbursement, Consultant must be using the vehicle for a legitimate business purpose under the Contract and be able to demonstrate that free parking does not exist within three (3) blocks of the job site. Consultant shall also use the most efficient and cost-effective available parking. Receipts for parking must be submitted with Consultant's monthly invoicing to VPRA and be retained in accordance with the Contract requirements. Parking charges unaccompanied by a receipt will be denied regardless of the amount at issue. Additionally, under no circumstance will parking violations and toll related charges be reimbursed.

#### **D. COMPLIANCE WITH COST PRINCIPLES**

Payment methods contained herein are considered advance agreements in accordance with 48 C.F.R. 31.109 of the Federal Acquisition Regulations (FAR). The agreements address ownership and operating costs for consultant project vehicles authorized for reimbursement.

No costs associated with owning, operating, and/or maintaining vehicles shall be included in overhead calculations except as allowed by 48 C.F.R. 31.201-4 and 48 C.F.R. 31.205-17. Ownership and maintenance costs incurred while the vehicle is idle due to furlough or fluctuations or other changes in workload and are otherwise not paid for through this IM (monthly or hourly) are allowable in the overhead to the extent permitted by 48 C.F.R. 31.205-17, and are subject to audit.

All reimbursable costs shall be consistent with the cost principles contained in 2 C.F.R. Part 200 - Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and 48 C.F.R. Part 31 – Contract Cost Principles and Procedures. Specifically, direct costs paid/reimbursed are not allowed to be charged as indirect costs per 48 C.F.R. 31.203.

The provisions of 48 C.F.R. Part 31 and 2 C.F.R. Part 200 shall be deemed to apply to this IM regardless of whether the Contract is receiving federal financial assistance.