

Hello and Happy New Year,

One of Contract Services Office (CSO) New Year's "resolutions" is to communicate more frequently with you, our **Consultant Community**, regarding the way we do business. This is the first of several CSO Notes that you should expect during the coming year.

We value your partnership and know that **Consultant rates** impact your business and your ability to serve the citizens of Washington State.

If you are a **PRIME Consultant** to a WSDOT "Y" Agreement and intend to **request** a direct labor not to exceed (NTE) increase for the coming rate period, you **must provide timely notice to WSDOT of your intent to renegotiate rates**.

If you are a Subconsultant to a WSDOT Agreement, you do **NOT** need to submit this notice. You do **NOT** need to contact WSDOT to indicate your intent to increase/renegotiate rates for the coming rate period.

WSDOT assumes that the notice that PRIME Consultant will send applies to PRIME and to **ALL Subconsultants** under a given Agreement.

For illustrative purposes (only), please review the example below:

- ✓ **Consultant ABC** has a fiscal year ending (FYE) on **12/31/2023**.
- ✓ ABC's rate cycle begins **one hundred eighty (180) days** after the FYE, on **July 1, 2024**.
- ✓ The effective rate period for ANTE rates in the coming rate cycle will be **July 1, 2024 – June 30, 2025**

"What constitutes timely notice?"

PRIME Consultants should **carefully review the respective agreement Payment Provisions** for each "Y" Agreement, where you intend to **request** a direct labor NTE increase for the coming rate period. If the respective agreement payment provisions allow an annual review but do not indicate a specific time for notice (e.g., 90 days), please submit your intent prior to the end of the existing rate cycle.

For illustrative purposes (only), please review the example below:

- ✓ Consultant ABC has a fiscal year ending (FYE) on **12/31/2023**.
- ✓ Consultant ABC intends to request a direct labor NTE increase, under a "Y" Agreement, where Payment Provisions require **"timely"** notice of intent to increase rates.
- ✓ The effective rate period for ANTE rates in the coming rate cycle will be **July 1, 2024 – June 30, 2025**
- ✓ To meet "timely" requirement, **WSDOT must receive** from Consultant ABC **written [email] notice, on or before June 30, 2024, 11:59PM**.

There is **no required form or template**. Just submit an email of your intent to the consultantrates@wsdot.wa.gov.

What happens if PRIME Consultants fail to timely submit the notice of intent to renegotiate rates?

If **PRIME Consultants fail to timely notify** WSDOT of the intent to renegotiate rates, the **direct labor** NTE rates for the respective agreement will remain in place for the upcoming rate cycle, based on the agreement payment provisions.

However, WSDOT **will** allow Subconsultants under that Agreement to negotiate rate increases.

In summary **"Please provide WSDOT with timely notice of your intent to renegotiate direct labor NTE rates."**

In our next CSO Note, we will discuss best practices and filing requirements for Actual Not to Exceed Tables to include annual Indirect Cost Rate updates.

If you have any questions, please contact us at consultantrates@wsdot.wa.gov.