

## Master Partnership Work Orders for P/T Services

When contracting with another Governmental Unit for Professional Technical (P/T) services, through a Master Partnership Work Order Contract, the following guidelines apply.

### Pre-Award Audit Requirement

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If the Governmental Unit is hiring a **subcontractor** to perform P/T services, and the costs are **greater than \$50,000**, you will need to request a MnDOT Audit.

Through the audit process, MnDOT's auditors help clarify issues and address concerns on subcontractor financials before entering into a contract.

The Office of Audit will review documentation and make recommendations regarding the data reviewed. The Contract Administrator is responsible for ensuring that recommendations are incorporated into the final contract.

In some cases, you may need to renegotiate terms with the subcontractor based on the audit results.

### Overhead Rate Cap

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If the Governmental Unit is hiring a subcontractor to perform P/T services, MnDOT's overhead rate cap will apply to the subcontractor costs.

- For contracts with a start date of April 15, 2019, through September 30, 2024, the cap on the overhead rate is 170.00%.
- For contracts with a start date of October 1, 2024, or later, the cap on the overhead rate is 175.00%.

### Language in Governmental Unit's Solicitation

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The MnDOT Project Manager should work with the Governmental Unit (as early as possible) to ensure the following language is included in their solicitation:

- **Pre-Award Audit Requirement:** The successful responder will be required to submit pre-award audit information to MnDOT and comply with MnDOT audit standards. Failure to do so may result in disqualification. The Pre-Award Information Package can be accessed on the MnDOT Audit website at: [Pre-Awards - Audit - MnDOT](#)
- **MnDOT Cost Requirement:** Whether proposing a cost plus fixed fee (profit), hourly rate, unit rate or lump sum budget, responders must include a breakdown (labor, overhead, profit and expenses) showing how the rate was derived. Additionally, if proposing a cost plus fixed fee (profit) budget, responder's must utilize their current MnDOT approved Overhead rate, but it may not to exceed 170%.