



COMMONWEALTH OF KENTUCKY  
TRANSPORTATION CABINET  
Frankfort, Kentucky 40622  
[www.transportation.ky.gov/](http://www.transportation.ky.gov/)

Matthew G. Bevin  
Governor

Greg Thomas  
Secretary

**MEMORANDUM**

**TO:** All Prequalified Consultants

**FROM:** Eric Pelfrey, P.E. *EP*  
Director, Division of Professional Services

**DATE:** January 17, 2017

**SUBJECT:** Negotiation of Direct Costs For Mileage, Per Diem, and Hotel

600 KAR 6:070 states that travel reimbursements are governed by 200 KAR 2:006, which specify reimbursement rates for state employees. This regulation determines reimbursement rates for average gasoline cost, per diems for meals, and hotel lodging. The following rates shall take effect for all contracts and contract modifications from the date of this notice until December 31, 2017.

The regulation provides for an adjustable scale for the average gasoline cost. Effective with this memorandum, an average mileage shall be determined from the average of the reimbursement rates of the previous twelve months as governed by 200 KAR 2:006. Using this calculation, the average gasoline cost to be applied as a direct cost shall be forty cents (\$0.40) per mile. A premium of thirteen cents (\$.13) per mile will be allowed for a four (4) wheel drive vehicle, resulting in an allowable rate of fifty-three cents (\$0.53) per mile.

Negotiated direct costs for meals will be increased to the following direct costs:

- Breakfast: authorized travel 6:30 a.m. through 9:00 a.m. – Eight dollars (\$8.00)
- Lunch: authorized travel 11:00 a.m. through 2:00 p.m. – Ten dollars (\$10.00)
- Dinner: authorized travel 5:00 p.m. through 9:00 p.m. – Eighteen dollars (\$18.00)

The current policy for negotiating direct cost reimbursement for hotel lodging currently allows for an increase to ninety dollars (\$90.00) per night for all personnel. There is not a separate rate for survey or field personnel.

For cost plus a fixed fee contracts, KYTC will reimburse for the actual expenditure for hotel. The expenditure will be checked for reasonable when submitting request for payment and in the post audit. If the Cabinet determines the amount is unreasonable, the reimbursement will be disallowed or limited to a reasonable amount. Per diem and mileage will be reimbursed according to company policy, not to exceed the maximum allowable rates listed above.

