

## Water and Sanitary Sewer Invoice Method Using the Lower Cost Bracket Method

The **\*Lower Cost Bracket Method** is a calculation that may give a higher fee than the regular Invoicing Method. This higher fee can be used for invoicing. Please refer to the Standard Professional Contract to determine if this is applicable to the project.

\*Note: For a higher fee using the Lower Cost Bracket Method, the **Total Sum** will be close to the next lower construction cost bracket that gives a higher Percent of Construction (see Example). If the Total Sum is well within the range of the construction cost, then the regular Invoicing Method will give the higher fee

### Example

Sanitary Sewer Estimate:	\$350,000.00
Water Work Estimate:	<u>\$250,000.00</u>
Total Sum:	\$600,000.00

Using the Table, the construction cost is between \$500,001 and \$750,000 resulting in a 10.4% Percent of Construction. The fees using 10.4% x 90% would be **\$32,760.00** for Sanitary Sewer and **\$23,400.00** for Water Work.

In this case, the Total Sum is close to the next lower construction cost bracket (\$250,001 to \$500,000), which has 13.7% Percent of Construction.

Use the Lower Bracket Method with the information in Example 1:

$$\text{Sanitary Sewer Fee} = \frac{\$350,000}{\$600,000} (\$500,000 \times 13.7\% \times 90\%) = \mathbf{\$35,962.49}$$

$$\text{Water Work Fee} = \frac{\$250,000}{\$600,000} (\$500,000 \times 13.7\% \times 90\%) = \mathbf{\$25,687.49}$$

The **higher** of the two amounts (**Lower Bracket Method vs. Regular Invoicing Method**) will be used for payment.

The **higher fee** resulted from using the **Lower Bracket Method**, \$35,962.49 for Sanitary Sewer and \$25,687.49 for Water Work.

For amendments to the City Contract, Total Sum = Water Estimate + Sewer Estimate + Street and Drainage Estimate