



INDIANA DEPARTMENT OF TRANSPORTATION

100 North Senate Avenue
Room N758-Executive Office
Indianapolis, Indiana 46204

Mike Braun, Governor
Lyndsay Quist, Commissioner

Memorandum

To: INDOT; Consultant Firms
From: INDOT Division of Economics and External Audit
Date: June 22, 2026
Subject: **Consultant Firm Direct Hourly Billing Rate Notice**

INDOT and our consulting partners have a long history of cooperation regarding the metrics used to determine annual labor rates and maximum allowable reimbursements. The Employment Cost Index (ECI) for "Professional, Scientific, and Technical Services," as published in the U.S. Department of Labor's Table 9: Wages and Salaries, continues to serve as the benchmark for annual professional services contract adjustments. This year, the national average increase reported in ECI Table 9 is **3.3%**.

In alignment with our shared commitment to maintaining competitive rates across the state, INDOT is setting the annual labor rate adjustment at 3.3%, effective July 1, 2026. Additionally, the maximum allowable reimbursement for consultants incurred direct labor, without executive approval, will be **\$85.06** per hour.

These rates apply to all INDOT contracts executed on or after July 1, 2026 through June 30, 2027. They will not apply retroactively to contracts signed before July 1, 2026, unless a contract explicitly states otherwise. These adjustments affect hourly-rate escalation terms for agreements and amendments as applicable under each contract type.

A handwritten signature in black ink, reading "Louis E. Feagans".

Louis Feagans, Deputy Commissioner of Capital Program Management
Indiana Department of Transportation