

LFI is established in the Project Agreement and updated at the completion of each phase.
LFI is documented in the LFI MOU BP and associated document.
OSFC expects districts to pay out of their LFI fund at an appropriate rate during the project.
At project closeout LFI and project funds are reconciled.

In OAKS CI:

LFI is tracked in the SOV and calculated in each vendor's pay request
LFI cannot be modified in an established SOV Line Item except by replacing the line item.

We make these recommendations concerning LFI

- Set up the A/E, Cx, and OA contract SOVs using the knowledge available at the time.
- Since the district will fund a PO partially from the LFI fund these contracts must be billed based on the LFI stated regardless of changes made at a later date.
- Prior to issuing a CMR or DB Preconstruction contract update the LFI MOU and apply the updated percentage this contract.
- After a contractor is selected (GC) or after each GMP Amendment the Post Bid LFI must be calculated.
- The Post Bid LFI must be correctly applied to the contractor's SOV or the Subcontract Distributions.
- Material Upgrades may be set to 100% LFI in the SOV. They will be billed to LFI when they are invoiced. Be sure to remove these dollars from the LFI% calculation so the total \$ collected are correct.
- Change Orders may affect the LFI %. If the district adds an alternate or new work to be paid for with LFI, the change order should reflect 100% LFI on the new SOV line items..
- OAKS CI was asked to isolate the contractors from the LFI process. The PM or OA is responsible for the LFI MOU and for ensuring LFI is correctly reflected on Contract SOV records. SOV Import spreadsheets should be reviewed for LFI by the PM BEFORE they are loaded by the PC.
- At the end of the project changes in the LFI that could not be reflected in the initial contracts will be reconciled. The goal is to make the reconciliation amount small and predictable.