

**ARIZONA DEPARTMENT OF TRANSPORTATION**  
**Engineering Consultants Section**

**Consultant Labor Classifications and Definitions Guidelines**  
**Effective August 1, 2012**

A standardized list of Labor Classifications and Definitions has been established for ECS contracts to streamline the Cost Negotiations between the Consultants and ADOT ECS.

All ECS contracts selected/awarded after **August 1, 2012**, must utilize labor classifications on the **2012-2013 Labor Classifications and Definitions** list (**Appendix A** and herein referred to as the “approved list”). Labor Classifications on the approved list will be the only labor classifications eligible to be used on ECS contracts during cost negotiations. Existing contracts that require additional labor classifications must also use labor classifications from the current approved list.

Consultants must use one of the labor classifications on the approved list based on the classification description, regardless of the title/name the firm currently uses for their own staff to describe the classification. The approved list will be updated annually to reflect ADOT and industry requirements, as needed.

**Overview of Classifications & Definitions List**

1. The approved list is divided into **six (6) categories**: (1) General/Engineering, (2) Construction, (3) Environmental, (4) Survey, (5) Right-of-Way, and (6) Miscellaneous.
2. Minimum education and/or work experience requirements are included in the definition for each classification.
3. Many labor classifications on the list include a regular and senior position (e.g., Project Manager and Project Manager, Sr.). Primary differences between “regular” and “senior” positions are often reflected in the duties to be performed, education and/or years of experience required for the position. The “Senior” positions generally include leadership/supervisory duties and require 15 or more years of experience.
4. A general “Technician” classification is listed under the “Miscellaneous” section of the approved list for individuals in any discipline that do not have any formal education or previous work experience.
5. Classifications are often listed in order of progression with other similar classifications (e.g., Associate Biologist, Biologist, Biologist, Sr.) or cluster of classifications (e.g., Designer, Engineer, Project Engineer, Project Manager).
6. The Designer, Engineer and Project Manager classifications encompass Designers, Engineers and Project Managers in all disciplines/ADOT Technical Groups (Bridge, Traffic, Roadway, Geotechnical, etc).
7. While every effort was made to match labor classifications that were used in the past with the approved list, some matches were not possible. For example: 2 and 3-Survey Crew classifications are no longer applicable and must be proposed based on specific work to be performed by each crew member in various combinations comprised of Technician, Survey Technician, Designer and Survey Party Chief, etc.

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**Procedures and Guidelines**

The general cost negotiation guidelines for using the approved list is detailed below:

**A. During Cost Negotiations**

1. Each Statements of Qualifications' (SOQs) Scope of Work (SOW) will include a list of projected labor classifications that the ADOT Project Manager (ADOT PM) anticipates to use in the contract.
2. The projected labor classifications from the approved list identified by the ADOT PM will be pre-populated by ADOT in the eCMS Online Cost Proposal module for the winning firm to use when completing its Cost Proposal.
3. If the pre-populated labor classifications in eCMS do not match with a position/title in your firm, carefully review the approved list and its corresponding definitions and match the responsibilities to be performed by each person to the closest labor classification that applies. The definition does not need to be an exact match to the job description of your personnel. It just needs to be the best fit for the work the individual will perform on a particular contract. In addition, the credentials of the individual(s) being proposed must match the qualifications stated for the classification. Consultants are encouraged to contact the appropriate ADOT PM or assigned ECS Specialist with any questions regarding the most suitable labor classifications to use.
4. Labor classifications not included in the pre-populated list in the eCMS online Cost Proposal module may be added from the approved list of labor classifications, if the Consultants determine that the SOW requires additional labor classifications that are not included in the pre-populated list. However, any additional proposed labor classifications are subject to ADOT's review and approval. Do not delete any labor classifications pre-populated by ADOT, just add and justify any new ones being proposed.
5. The approved labor classifications are located in the top portion of the eCMS Labor Class drop-down menu in eCMS and are delineated with an "\*" in front of them. The lower portion of the drop-down menu contains the old list of labor classifications and will be deleted when all contracts under negotiations prior to August 1, 2012, are completed. Therefore, **if your firm is completing an initial Cost Proposal after August 1, 2012, USE THE TOP PORTION OF THE APPROVED LIST ONLY (the classifications with the "\*" in front of them). DO NOT USE THE CLASSIFICATIONS FROM THE LOWER PORTION OF THE DROP-DOWN MENU (the classifications without the "\*", unless you are completing a Cost Proposal that was submitted before the approved list was published).**
6. In most cases, minimum education and/or work experience requirements are included in the definition for each classification. A general "Technician" classification is listed under the "Miscellaneous" section of the approved list for individuals in any discipline that do not have any formal education or previous work experience.
7. Consultants are required to use labor classifications on the approved list only. In very rare cases, the ADOT PM and ECS may approve the use of a labor classification not on the list. The use of any such classifications must be pre-approved by the ADOT PM and ECS and must be submitted with the initial Cost Proposal. If approved, Consultants may use the "Other-Pre-Approved by ADOT" classification from the drop-down menu to propose these rare, pre-approved contract-specific classifications. The proposed labor classification must be properly and sufficiently defined and

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justified with supporting documentation uploaded into eCMS. The individual being proposed must meet the accepted industry standard for education, registration or certification in the specialized field. Firms using this classification must also provide a definition of duties to be performed, independent justification that outline industry standards, and hourly rates for the specialization.

ADOT Office of Audit & Analysis (A&A) will contact the firm to request submission of information to determine fairness and reasonableness of rates for all proposed **“Other-Pre-Approved by ADOT”** classifications.

8. Use of additional classifications will be rare and approved on a case-by-case and contract-by-contract basis. A new classification approved for one contract will not automatically be approved for use on future contracts. ECS will track all additional classifications approved on contracts to determine if these classifications should be added to the “approved list” for the next fiscal year.
9. **Unauthorized use** (i.e., not pre-approved by the ADOT PM and ECS) of the **“Other-Pre-Approved by ADOT” classification by the Consultants will result in the rejection of the proposed labor classification and rate.**
10. Keep in mind that this is a new process. While ADOT has made every effort to match labor classifications and rates that were used in the past with the new Labor Classification and Definition list, some matches were not possible. Similarly, it will not be possible to compare rates received for the same or similar classifications on old contracts with rates approved on new contracts using the new system being implemented. Justification for proposed rates on new contracts must include detailed explanation without references to past contracts. Justification such as *“this rate was approved on an old contract”* is not sufficient by itself.
10. Consultants will be required to provide the qualifications for all personnel listed in the SOQs and proposed on a contract, on revised ***Certified Payroll and Proposed Rate Forms (Appendix B-D)*** to ensure the required qualifications are met for each labor classification in the contract. Select the appropriate form for your firm and for the contract type (for straight, averaged or weighted rates or for Unit Prices of Work). Required information on these forms include the following:
  - a. Education
  - b. Number of years of relevant experience
  - c. Technical Registration/Certification number, as applicable
  - d. Actual hourly rate for individual being proposed at the time of the initial Cost Proposal submission

The form must be signed by the Project Principal or Officer of the Firm. ADOT reserves the right to request documentation (e.g., payroll registers, pay stubs, resumes, etc.) to verify qualifications, hourly rates and other information submitted on the ***Certified Payroll and Proposed Rate Form.*** Subconsultants may submit the ***Certified Payroll and Proposed Rate Form*** directly to ECS, if desired.

**Falsification of the Certified Payroll and Proposed Rate Form or any documents submitted during contract negotiations by the Consultant shall result in ADOT declaring failed negotiations and ADOT may proceed to negotiate with the next highest ranked firm in accordance with 40 USC §1104. Falsification of the Certified Payroll and Proposed Rate Form or any documents submitted during contract negotiations by the Subconsultant shall result in that Subconsultant being rejected from participation on the contract. Falsification by either**

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**Consultant or Subconsultant may also result in disqualification from submitting SOQs for future ECS contracts and the firm may be subject to civil or criminal prosecution and severe penalties under state or federal law.**

11. Labor rates for each classification must be within the Range of Reasonableness (ROR) determined by A&A for the classification.

**B. After Contract Execution**

1. Classifications and rates not negotiated as part of the original contract or via Modification cannot be used on contracts and will not be approved for payments.
2. If a Consultant wishes to add a new classification to any existing contract (executed before or after August 1, 2012), the labor classification requested must be from the current approved list.
3. The Consultant must submit an email request (with justification and applicable Certified Payroll and Proposed Rate Form) to the ADOT PM and ECS Contract Specialist prior to submitting the Contract Modification or Task Order request.
4. The ADOT PM must review and approve, deny or recommend a substitute classification from the approved list. If, approved, the ADOT PM will notify the ECS Contract Specialist and the Consultant by email.
5. ECS will negotiate the rate for the approved new classification with the Consultant and execute a Contract Modification to add the new classification to the contract.
6. The approved labor classification can then be used on future Modifications or Task Orders for the contract.