



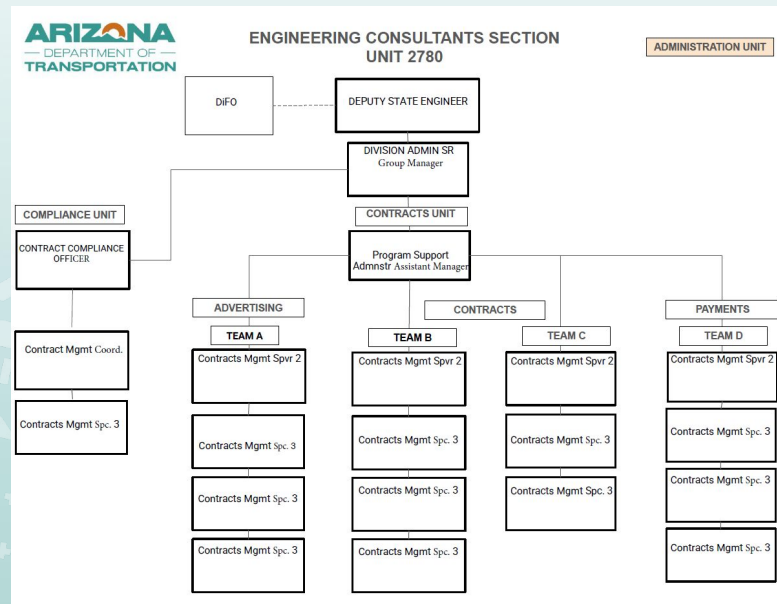
# Engineering Consultants Section

Presented by:  
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## Overview:

- Who is ECS
- What does ECS do
- Types of Contracts
- Compensation Methods
- Timeline and Overview of the ECS Advertisement Process and Consultant Contract Administration

- Part of Procurement Services Division (PSD)
- Supports the Project development process
- Consists of
  - 3 units
  - 4 teams
  - 20 total



## What does ECS do?

ADOT's Engineering Consultants Section (ECS) is responsible for the advertisement, selection, negotiation, execution, and administration of professional services contracts which are exempt from the State Procurement Code (ARS 41-2501). It is ECS's responsibility to ensure our procedures and the administration of the contracts are compliant with applicable State and Federal regulations. ECS contracts are awarded in accordance with a Qualification Based Selection (QBS) procurement process as established by the Brooks Act.

ECS is committed to providing fair, equitable, efficient, timely, accurate, professional, and quality service to the Department and its stakeholders, consistent with the Department's goals and objectives in meeting the transportation needs of the State of Arizona.

# What does ECS do?

ECS develops Contracts for professional design and engineering services. The type of contract is specified in the Request for Qualifications (RFQ).

## Contract Types

### Project Specific Contract (Single and Multi Phase):

- Contract for services performed for a defined scope of work for a specific project

### On-Call Contract:

- Contracts for the performance of services for a number of projects which are awarded on a task-order (project) basis
- Tasks are awarded to the selected qualified consultants on a secondary selection process, either regional or qualifications base
  - ***23 CFR Part 172 – Equal or Rotational Distribution of Task Orders is not permitted***

### Supplemental Services Contract:

- Contracts for the performance of supplemental services by a consultant such as project management or technical design/review of a project. Services are performed under the direct oversight of the Department.

# What does ECS do?

## **Compensation Methods:**

The type of Contract Compensation Method must be defined in the Request for Qualifications (RFQ):

### **Lump Sum (LS):**

- Negotiated payment method establishing a defined price for a defined scope of work on a project specific contract.

### **Lump Sum by Task Order (LSTO):**

- An On-Call contract with a five year max contract life from Notice to Proceed.

### **Cost Plus Fixed Fee (CPFF):**

- Compensation based on actual costs plus a fixed fee (FF). Budgets (estimated costs) are negotiated for the scope of work on a project specific contract. FF is set by ADOT, reflecting complexity, schedule, and risk. FF is non-negotiable.

### **Cost Plus Fixed Fee by Task Order (CPFF by TO):**

- An On-Call contract with a five year max contract life from Notice to Proceed.

### **Specific Rates (SR):**

- Compensation method when negotiated rates are used to compensate for work performed. Materials are paid at cost.



## How does ECS support the development process?

- ADOT Projects are programmed in the 5-yr Program
  - Determination is made to design in-house (ADOT staff) or by Consultant (ECS)
- Local Projects - ADOT administers all federal-aid funded local projects
  - Consultant Design (not ADOT staff)
- Technical Groups (Geotech, Bridge, Utilities, Right of Way, Environmental, etc.)
- Supplemental Services
- Alternative Delivery

## Who does ECS partner with?

During the advertisement and contract administration process, ECS works very closely with:

- ADOT Project and Contract Managers
- ADOT Audit & Analysis
- ADOT Finance
- FHWA
- Small Business and Workforce Development ( SBWD)
- Consultant Firms



# ECS Advertisement Process

## Initiation of the process

### **Project related Contracts:**

- Project scope of work is identified
- Contract and Project Schedules are developed
- Establishment of Disadvantaged Business Enterprise (DBE) Goals
  - Each Federally funded contract is assessed a DBE Goal – 49 CFR Part 26
- Authorization of Funds for the Project
  - FHWA Authorization if federal funds
  - Finance approval if State Funds



# ECS Advertisement Process

## Advertisement & Submittals

- Obtain approval to advertise
- Request for Qualifications (RFQ) posted on external ECS website
- Newspaper advertisements
- Receive Statements of Qualifications (SOQ)
  - ECS performs initial review of SOQ's for compliance with the RFQ requirements
  - If non-compliance is determined, the firm is disqualified from further review
- Selection Panel is assembled
  - PM determines panel group composition
  - Group Manager determines the person that will serve on the panel
  - Only ADOT full time employees serve on selection panels



# ECS Selection Process

## Panel Evaluation and Scoring

Panel members evaluate and score each SOQ independently from other panel members.

After the Panel Members have completed their review and scoring, they meet to:

- Discuss and address any concerns or questions about what was presented in the SOQ's
  - Discuss the rationale for their individual scores.
  - A Panel Member may revise their score based on the discussion held during this meeting
- If a firm has final past performance evaluation scores of 2 or less in the last year, negative points are factored into the firms average score



# ECS Selection Process

## Notification

- The completed “Selection Approval Confirmation Memorandum” is presented to the ECS Manager for review and signature. Copies of the panel members scores and ranking are provided for review. Discussions are held as appropriate.
- The highest ranked firm is notified
- The non-selected firms are notified of the three highest ranked firms. and are provided their scores along with the highest ranked firms scores.
- The winning SOQ is provided on the ECS website

# ECS Advertisement and Selection Process

## Schedule

### **Contract Initiation:**

- |                                                               |                      |
|---------------------------------------------------------------|----------------------|
| • Development of the Project's Scope of Work and Need         | • 2-4 Weeks          |
| • Development of the Advertisement and Contract Documentation | • 3 Weeks            |
| • Establishment of DBE Goals                                  | • 1-2 Weeks          |
| • Authorization of Funds for the Project                      | • Depends on Project |

### **Advertisement and Selection Process**

- |                               |                     |
|-------------------------------|---------------------|
| • Contract Advertisement      | • 3 Weeks (minimum) |
| • SOQ Evaluation & Scoring    | • 3 Weeks           |
| • Selection Meeting & Ranking | • 1 Week            |
| • Notification                | • 1 Week            |

# Consultant Contract Administration

## Contract Negotiations:

After the Firm is notified of Selection, we enter the Pre-Negotiation Phase.

## Preparation & Submittal of Cost Proposal:

- Pre-Negotiation Meetings with the Firm(s)
  - Review Project Scope & Schedule
  - Review of Contract Requirements
  - Negotiation Parameters are defined
  - Questions or Concerns are addressed
  - Submittal requirements for Financial Data
- Submittal of required Financial Reports to ADOT Audit & Analysis
  - Outlined in the RFQ Documentation (i.e. Overhead Schedule, Income Statement and Balance Sheet, etc.). Required on an annual basis.



# Contract Negotiations

## Preparation & Submittal of Cost Proposal:

- Firm works with PM to develop the Project's Scope of Work & Cost Proposal
- Firm submits required documentation via email
  - Cost Proposal Documentation (including appropriate signed cost derivation sheets)
  - Work Hour Estimates (Prime & Subconsultants)
  - Direct Expense Breakdown
  - Subconsultant and Vendor documents
  - Insurance Documentation
  - DBE Affidavits or Good Faith Effort form

Advanced Tank Technologies  
Washington, DC  
Proposal Submitted in Response To RFP DAAH01-09-R-0001

| Element of Cost                   | Amount      | Reference       |
|-----------------------------------|-------------|-----------------|
| Engineering Labor                 | \$432,151   | Schedule 1      |
| Manufacturing Labor               | 26,412      | Schedule 1      |
| Direct Labor Overhead @ 58.7%     | 271,345     | Schedules 1 & 3 |
| Material                          | 113,175     | Schedule 2      |
| Material Handling Overhead @ 3.0% | 2,829       | Schedule 3      |
| Subtotal                          | 866,742     |                 |
| Os&A @ 8.0%                       | 69,339      | Schedule 4      |
| Estimated Cost                    | 936,081     |                 |
| Profit @ 10.0%                    | \$93,608 *  |                 |
| Total Price                       | \$1,029,689 |                 |

\* Contractors can negotiate profit with the CO. Typically, COs use criteria in FAR 15.404-6 for establishing specific objective. DoD COs may use the weighted guidelines policy described in DFARS 213.404-4.

SCHEDULE 5  
Advanced Tank Technologies  
Washington, DC  
Budget for Fiscal Year 2010 Material Handling  
Actual Overhead Expenses for Fiscal Years 2009 through 2007

|                                     | Budget<br>2010 | Actual Expenses (Note 1) |      |      |  |
|-------------------------------------|----------------|--------------------------|------|------|--|
| Material Handling Expenses (Note 2) |                | 2009                     | 2008 | 2007 |  |
| Purchasing Department               | \$ 10,000      |                          |      |      |  |
| Receiving Department                | 2,500          |                          |      |      |  |
| Total Expenses                      | \$ 12,500      |                          |      |      |  |
| Less Unallowable Costs              | \$ 0           |                          |      |      |  |
| Net Allowable Expenses              | \$ 12,500      |                          |      |      |  |
| Allocation Base                     |                |                          |      |      |  |
| Direct Material                     | \$ 250,000     |                          |      |      |  |
| Material Overhead Rate (Note 3)     | 5.0%           |                          |      |      |  |

# Contract Negotiations

## Cost Proposals:

ECS reviews cost proposals submitted by the Firms for:

- Completeness and accuracy of documentation
- Standardization of Contractual Terms & Conditions
- Appropriateness of Proposed Labor Classifications
- Initial Review and determination of:
  - Allowability of Costs
  - Fairness & Reasonableness of Costs
  - Status of Firm(s) audited overhead rates.
  - Need for Audit & Analysis Review



# Contract Negotiations

## Notice to Proceed:

Once the terms of the contract are agreed upon (negotiations are complete) and only after authorization of funds (federal or State), the Firm is issued a **“Notice to Proceed” (NTP) Authorization**. It can take up to 90 days to execute a contract.

An **Advanced Notice To Proceed (ANTP)** or **Limited Notice to Proceed (LNTP)** may be issued if it is determined and agreed upon that a consultants work must start prior to contract negotiations being finalized. Some instances are:

- Emergency Situations
- Time Constraints

***\*\* No verbal or email authorizations are allowed.***

# Consultant Contract Administration

## Execution of Work:

- The Firm, in close coordination with other project stakeholders, performs the professional services outlined in the contract
- Payment Reports are issued, processed and paid as defined in the Agreement and per Prompt Payment Law
- Contract Modifications are processed as required (this includes any necessary Time Extensions)
- Required reporting and documentation of DBE Participation
- Performance Evaluations are completed to address the consultant's performance on an annual basis (through eCMS). Consultants, PMs, RE's and ECS participate in this process.

# Consultant Contract Administration

## Contract Management:

- Modifications are processed. ECS has a 21 day goal to process all modifications
- DBE Goals Monitored
- Payment Reports processed. ECS has a 14 day goal to process all payment requests
- Annual and Final Consultant Evaluations
- Contract Closeout



# Consultant Contract Administration

## Contract Closeout:



- All contracts have a Contract Period, which establishes the termination date of the contract. Contract periods can be extended or canceled in accordance with the terms and conditions of the contracts.  
***\*\*Work can not be performed and invoiced if contract time expires.***
- Contract Closeout is initiated by the ADOT PM after services are completed per the contract.
- Final Payment Report from Prime Consultant. Must include final Subconsultant payment.
- Incurred Cost Audit (Audit & Analysis) – For CPFF Contracts. ICA's will not be needed on newer CPFF contracts due to risk based overhead rate reviews.
- Certification of Payments to DBE Firms Affidavit (Section 4.47 of contract)
- Final Performance Evaluation is performed to address the consultant's performance throughout the duration of the contract lifecycle (through eCMS). Consultants, PMs, RE's and ECS participate in this process.



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