

SECTION 19 PROFESSIONAL SERVICES

19.1 Initiating Professional Services

The Project Manager is responsible for identifying professional services needed for project delivery. Professional services needs must be anticipated, defined, and secured in such a manner as to not adversely impact project delivery.

The first step in the process of procuring any professional services will be the definition of the scope of services to be performed. A well defined scope of services is critical to successful project management. This step is where the most value is added to the process. The Project Manager should consult with the appropriate in-house technical experts to identify all activities required in accordance with the Process Delivery Network depicted in Section 3.5.

19.1.1 Approval to Initiate Professional Services

Prior to initiating any new agreement, or modification to an existing consultant agreement, approval from the Division Director must be obtained. The Project Manager shall prepare a written request to proceed with any agreement or modification processes described in this section. This also applies to Task Order Agreements.

This written request must provide the following:

- A brief description of the scope of professional services required.
- The estimated cost of this work. An order of magnitude, or “ballpark”, estimate is to be developed by the Project Manager for this purpose. Detailed design cost estimating, such as that performed by the Bureau of Program Support Services, or a consultant preparing a proposal for agreement modification, shall be deferred until approval is obtained from the Director.
- Current Capital Program years for Design, Right of Way, and Construction.
- Reason for requesting professional services. Appropriate justification should include impacts to project and program delivery.
- Indication that in-house forces have been contacted regarding performing the work, and the reasons why the work cannot be done by in-house forces.
- If a modification to an existing consultant agreement, provide a copy of the section(s) of the original agreement providing the legal and contractual authority to add the work by modification. Include a copy of the scope of services included in the Original agreement.
- Concurrence line for signature by the Program Manager.
- Approval line for signature by the Director.

Upon receipt of approval by the Director, the Project Manager may proceed with the procedures described in sections 19.2, 19.4, or 19.6, as appropriate.

19.1.2 Funding for Professional Services

New projects are initiated through the process described in Section 2.2 “Project Selection and Capital Programming”. Selected projects will be assigned to the Division of Project Management for Final Scope Development. At the conclusion of Final Scope Development, the Project Manager will submit the Scope Development Package to the Capital Program Development Committee for review. If approved, the project will then be available for design, right-of-way, and construction.

Prior to requesting approval to initiate professional services for a new project, the Project Manager should verify that the proposed project is included in the approved Capital Program and that it is included in the Annual Element of the appropriate Transportation Improvement Program (TIP) if federal funds are involved.

Based on the final scope of work for the project, the Project Manager should develop estimates of consultant and in-house costs. In-house costs are to be broken down by organizational unit. The development of these cost estimates shall be in accordance with Section 3.4 “Cost Baselines”. Initial Baseline Budget approval must be obtained prior to requesting professional services. The funding process for new design work continues after selection and negotiation with the submission of a funding request memorandum to the Bureau of Capital Program Coordination which is described in Section 19.3.

Similarly, the funding process for additional design work by modification to a current consultant agreement, as described in Section 19.6, requires a funding request memorandum to the Bureau of Capital Program Coordination which includes a description of the additional work, consultant cost estimate, and in-house cost estimate. This funding request is to be included as an attachment to the Baseline Change Request.

Funding for construction engineering/inspection services, including any design consultant agreement modification required for shop drawing review should be requested concurrent with the estimated construction costs, prior to advertisement for construction, based on the budget established by the Project Manager and Regional Construction Engineer (as recommended by the Field Manager during the Final Design Review and Prepare PS&E activity time periods). The Regional Construction Engineer shall recommend if inspection services are to be provided by Department staff, consultant(s), or a combination of both. The PS&E submission to the Bureau of Contract Administration Services should include this funding information.

The following subsections describe tasks which are to be performed by the Project Manager’s Agreement Coordinator. The Agreement Coordinator assigned to each Program Manager is essentially the “branch office” of the Bureau of Contract Administration Services. Responsibilities of the Bureau of Contract Administration Services are summarized in Section 19.4.

19.2 Consultant Selection

A consultant is to be selected to provide professional services when the expertise required is not available in the Department, or when the Department's workload is such that the professional services required cannot be completed within the required time frame. Consultant selection is to be initiated only upon approval of the Director as per Section 19.1.1.

Consultants are firms or businesses, individuals, Colleges, and Universities who, for a negotiated fee, render professional services pertaining to: research development, planning, design, right of way appraisal, acquisition, environmental engineering and mitigation, in conjunction with the improvement, betterment, maintenance, and operation of local and State highways and bridges, public transportation systems, paratransit systems, and aeronautical systems.

The following procedure ensures that a qualified consultant is obtained through an equitable selection process, in accordance with NJSA Title 23 and 48, and the Federal-Aid Policy Guide 23 CFR 172A, which is included as Attachment 1.

Consultant selections for professional services are qualifications-based, with fee negotiations occurring only after a consultant selection has been approved. Expressions of Interest are solicited from all prequalified consultants via the Department's Electronic Bulletin Board.

19.2.1 Consultant Prequalification

Prequalified Consultant - means those Colleges, Universities, individuals, firms or businesses that have been approved by the Department to provide consultant services for specific disciplines and classification levels, through the prequalification Form PS-03, in response to a Department advertisement, direct mail-out or other notification. In addition, all consultants must be Cost Basis approved through the Bureau of Auditing as a final step in the prequalification process.

The Bureau of Professional Services annually places a general solicitation advertisement in appropriate media sources requesting interested consultants to process a prequalification Form PS-03 and obtain classification approval for providing various professional services, such as but not limited to:

- Access Review
- Aerial and Topographical Surveys and Mapping
- Bridge Inspection
- Construction Engineering and Inspection
- Environmental Engineering (all types)
- Geotechnical Design
- Highway Design
- Landscape Architecture
- Research and Development
- Right of Way Appraising
- Structural Design

- Traffic Engineering
- Transportation Planning (all modes)
- Transportation Management Systems

A complete listing of prequalification disciplines, Form PS-03, project types and evaluation criteria are provided in Attachment 2.

The approval classification for prequalifications are as follows:

Estimated Project Fee:

<u>Level</u>	<u>Estimated Project Fee</u>
A	Less than \$500,000
B	\$500,000 to \$1,499,000
C	\$1,500,000 or more

The appropriate major disciplines and approval classification must be determined by the Project Manager prior to requesting a solicitation for professional services. Major disciplines are those comprising 30% or more of the professional services being requested.

As part of the prequalification process, the consultant must have an approved Quality Assurance Plan. The consultant QAP must adhere to the requirements of the "NJDOT Capital Program Management Guidelines for the Preparation of Consultant Quality Assurance Plan." The consultant QAP must be submitted to and approved by the Bureau of Quality Management Services prior to the request for prequalification.

19.2.2 Project Type Criteria

Prior to the initiation of the consultant selection process the Project Manager will have identified funding in accordance with Section 19.1. The consultant cost estimate developed to establish the Initial Baseline Budget will then be used to determine the project selection type as follows:

Simple Projects

1. Any project regardless of fee involving an emergency situation or a constricted time frame.
2. Projects having an estimated fee of \$500,000 or less.
3. Projects having limited scopes of work such as: Resurfacing, Bridge Deck Patching, Construction and Bridge Inspection.

Standard Projects

Multi-disciplined project, highly specialized projects, or projects having an estimated fee of more than \$500,000.

Consultant selections for Simple projects will be based on the rating and ranking of Expressions of Interest. For Standard projects, the rating and ranking of Expressions of

Interest will be used to develop a “short-list” (minimum of 3 firms) of consultants, from which a Technical Proposal will be evaluated as the basis for final selection.

19.2.3 Request for Professional Services

The Project Manager's Agreement Coordinator shall prepare a request for professional services from the appropriate Division Director to the Moderator/Secretary of the Consultant Selection Committee, Bureau of Professional Services, which contains the following:

1. Transmittal memorandum which includes:
 - Brief Project Description (give Route and Section). “The division of Project Management is currently undertaking preliminary work leading to the development of the subject Agreement. This Agreement (project) provides for...leading to the development of...and is in support of...and is essential for...” Once a format like this is developed it can be used for other letters during the project's initiation stage. Also mention the type of Agreement (Cost Plus, etc.) that is intended. Various Agreement types are listed in Section 19.3.1.
 - The Type of Project (selection process Simple or Standard) you are initiating. EXAMPLE: The preliminary estimate for this project is \$2,475,000.00 (this is the Consultant cost only); therefore, we are requesting a list of prequalified Consultants under the Standard Project Consultant Selection Process. This statement sets the course of action for the Selection.
 - Disciplines and the classification level requested as determined in Section 19.2.1.
 - Funding Type/Source identification with program year and item number as verified by the Bureau of Capital Program Coordination in accordance with Section 19.1.
2. Completed Expression of Interest Package on floppy disk with a hard copy to be used to post the request for Expressions of Interest to the Department's Electronic Bulletin Board. This package includes the following:
 - Scope of Work added to the disk.
 - Expression of Interest Letter - select the appropriated type Simple or Standard. Provide the due date based on allowing a range of 5 to 10 working days as determined by the Project Manager.
 - Expression of Interest Rating Form with weights of rating criteria indicated.
 - Workload Disclosure Form.
 - Statement of Joint Venture.
 - Current Performance of the Project Manager Form*

- Past Performance of the Firm Form*
- Commitments of Project Manager and Key Staff Form*
- (*See Section 19.2.6)

The Expression of Interest files are available on Project Management's shared directory and should be copied to a floppy disk and modified to insert required information using Word Perfect 6.0 to 6.1. A sample EOI package is included as Attachment 3.

Upon receipt of the above, the Bureau of Professional Services posts the request for Expressions of Interest on the Electronic Bulletin Board on Tuesdays and Thursdays by 11:00 am. The Project Manager's Agreement Coordinator must track and monitor the remaining Selection/ Agreement activities utilizing the tracking form included in Attachment 4.

Upon completion of the Expression of Interest Package, the Project Manager is to finalize the development of the detailed scope of work that will be provided to those consultants directed to submit technical and fee proposals. This activity must be performed concurrently with the ratings of Expressions of Interest so that it is completed prior to the approval of consultant selection (Simple) or when a short list is approved (Standard).

19.2.4 Review Team for Simple Projects

For Simple projects, Expressions of Interest will be rated in accordance with Section 19.2.6 by a review team established by the Project Manager as follows:

The Project Manager, with a minimum of two others, reviews, evaluates, and ranks the Expressions of Interest. This Group shall consist of the following:

- Project Manager
- Additional members, depending on the project, shall be the appropriate Division Director or designee (Design or Construction), or a representative from the Bureau of Environmental Services, or the Bureau of Project Scope Development.

The Project Manager convenes the Group which reviews, evaluates, and ranks the Expressions of Interest, within 10 working days.

19.2.5 Technical Evaluation Committee for Standard Projects

For Standard Projects, Expressions of Interest will be rated in accordance with Section 19.2.6 by a Technical Evaluation Committee, established by the Project Manager, comprised of the following:

- Project Manager
- Member, Bureau of Professional Services

- Additional members, depending on the project, shall be the appropriate Division Director or designee (Design or Construction), or a representative from the Bureau of Environmental Services, or the Bureau of Scope Development. One to three disciplines should be represented.

The Project Manager convenes the TEC which reviews, evaluates, and ranks the Expressions of Interest within 10 working days.

This same Technical Evaluation Committee will later evaluate Technical Proposals submitted by "short listed" consultants in accordance with Section 19.2.8.

19.2.6 Expressions of Interest Rating and Ranking

Expressions of Interest are to be rated according to the criteria and weights included in the Expressions of Interest Rating Package which was provided to the Bureau of Professional Services for posting to the Electronic Bulletin Board. Any modification to the Standard EOI Rating Criteria and weights, or any additional forms required to be submitted with Expressions of Interest, must be included on the Word Perfect disk provided to the Bureau of Professional Services in accordance with Section 19.2.3.

The Project Manager is to develop an Expression of Interest Rating Guide to be used by the Review Team or Technical Evaluation Committee. This guide provides the basis for scoring each of the rating criteria to be evaluated. A sample Expression of Interest Rating Guide for Design Projects, with corresponding modification to the Standard EOI Rating Criteria and Weights, and additional forms required in the EOI Package is included as Attachment 5.

Copies of the rating guide and EOI Rating Criteria and Weights form is to be provided to all members of the Review Team/Technical Evaluation Committee. All Expressions of Interest are then to be rated, scored, and returned to the Project Manager within 10 working days.

The ranking of Expressions of Interest is then used as the basis for the following recommendation to the Consultant Selection Committee:

- For Simple Projects, the consultant submitting the top ranked Expression of Interest is recommended for selection.
- For Standard Projects, the consultants submitting the highest ranked Expressions of Interest will be recommended in a short list of firms (minimum of three) from which technical proposals will be requested.

Concurrent with this activity, the Project Manager will have finalized the detailed Scope of Work and updated the independent consultant cost estimate in anticipation of selection/ "short listing" by the Consultant Selection Committee.

19.2.7 Consultant Selection Committee

The Consultant Selection Committee is responsible for:

- Reviewing the justification for engaging consultant services

- Reviewing and approving the recommended “short list” of consultants submitting Expressions of Interest for Standard projects.
- Recommending each consultant selection, based on evaluation of the professional and technical qualifications necessary for satisfactory performance of the required services, to the Deputy Commissioner for concurrence and final approval.

The Bureau of Contract Administration Services is responsible for:

- Reviewing all draft Consultant Selection Committee packages.
- Concurring with or rejecting the Project Manager’s recommendation for selection or short list.
- Maintaining the integrity of the selection process.

The Consultant Selection Committee is currently comprised of the following:

- Assistant Commissioner Capital Program Management
- Assistant Commissioner External and Governmental Affairs
- Assistant Commissioner Finance and Administration
- Executive Director, Division of Aeronautics and Freight Systems
- Director, Division of Civil Rights/Affirmative Action
- Director, Capital Program Control and Support Services
- Director, Division of Procurement

The results of the Expressions of Interest ratings and ranking are compiled by the Agreement Coordinator with the Project Manager’s recommendation into the draft Consultant Selection Committee Package. The Program Manager is responsible for concurring with the Project Manager’s recommendation. The draft package is then reviewed by the Bureau of Contract Administration Services. After review and concurrence, the final package is then forwarded, under the signature of the Director, Division of Project Management to the Bureau of Professional Services, Secretary/ Moderator of the Consultant Selection Committee, for the Committee’s selection of a Consultant for Simple Projects, or for the Committee’s approval of the recommended “short list” for Standard Projects.

This Consultant Selection Committee Package must be submitted to the Bureau of Contract Administration Services eight (8) working days prior to the Consultant Selection Committee meeting which is held on the second and fourth Monday of each month. The Bureau of Contract Administration Services will represent the Division of Project Management at the Consultant Selection Committee meeting.

The Consultant Selection Committee transmittal memorandum will include a recommendation with appropriate justification as follows:

- For Simple Projects, a recommendation for selection with a description of the factors responsible for the distribution of Expressions of Interest rating scores and the significance of criteria weighting. Also include the purpose for the selection in relation to Departmental goals and policies for Capital Program implementation.

- For Standard Projects, recommending a “short list” of consultants (minimum of 3) based on the ranking of Expression of Interest, a description of the factors responsible for the distribution of Expressions of Interest rating scores, and other factors influencing the recommended cut-off score limiting inclusion in the recommended “short list”.
- For Standard Projects, a recommendation for selection based on the evaluation of Technical Proposals which includes a description of the significance of the evaluation criteria and distribution of scores. Also include the purpose for the selection in relation to Departmental goals and policies for Capital Program implementation.

Recommendation packages prepared by the Project Manager’s Agreement Coordinator must also include the following in each short listing and/or final selection package:

1. A brief description of the project. Include or attach discipline listing.
2. County(ies) affected by the project.
3. Scope of Work upon which Expressions of Interest were based.
4. An independent cost estimate breakdown, by task, providing full anticipated cost of project, even if total funding is not available at this time. Also include DBE goal, if applicable. If scope cannot be completely defined, provide the CSC with an anticipated minimum and maximum for the project.
5. List of Consulting Firms being considered for the job(s) (listed in ranking order -- high to low).
6. The name and title of the project manager from each of the consulting firms considered for selection.
7. The approved ASCE grade levels for each.
8. Consultant’s office location (by County) out of which the work will be performed, not Home Office location.
9. Funding source, year and Item Number.
10. Whether it is a Federal or State Project.
11. Summary of the Reviewers’ rating sheets showing the average rating for each evaluation criteria and the weighting of each rated criteria.
12. Copy of each evaluator’s rating sheet with a clear designation as to which unit, or Bureau, did the review.
13. Copies of at least the top ten ranked, including ties and those above recommended comparable line, consultant’s “Disclosure” forms for outstanding billable work with the Department. Please be sure the company’s name is clearly evident on each individual disclosure sheet. (Submit this for “Expressions of Interest” only. The CSC does not take the consultant’s outstanding work into account for technical proposals.)

The original and seven (7) copies of the above package are to be provided to the Secretary/ Moderator, Consultant Selection Committee; one (1) copy is to be provided to the Bureau of Contract Administration Services.

In addition, Bureau of Contract Administration Services is to be provided with one copy of each Expression of Interest or Technical Proposal for all “short listed” consultants to bring to the Consultant Selection Committee meeting.

Project Managers are expected to check the references of the firms being considered for selection. This information will be brought to consultant selection committee meetings and discussed as part of the criteria used in making selections. This may be accomplished by including this criteria as suggested in the sample EOI Rating Guide included as Attachment 6.

19.2.8 Technical Proposal

For Standard Projects, the Bureau of Professional Services will advise the Project Manager of the Consultant Selection Committee action approving the “short list”.

The Project Manager will be directed to request detailed Technical Proposals from a minimum of three consultants “short listed” for evaluation by the Technical Evaluation Committee previously established for the rating of Expressions of Interest.

The Agreement Coordinator will prepare and send under the direction of the Project Manager a solicitation package notification to all “short listed” firms which contains the following:

1. Requirement that all Technical Proposals be prepared in accordance with the Project Delivery Process Network logic, activities, and procedures described in this Manual.
2. Request for Technical Proposal to be submitted within 10 to 20 working days as determined by the Project Manager. Description of Technical Proposal requirements, generally limited to 25 pages with 15 additional pages of attachments, describing the consultant's proposed manner of performing the services required for project(s), specific experiences related to the project or similar projects, as well as proposed innovative concepts or methods of project delivery. Provide in the request for Technical Proposal the evaluation criteria to be used for evaluation by the Technical Evaluation Committee.
3. Request for Fee Proposal prepared in accordance with the standard scope of services provided by the Project Manager, to be submitted in a separately sealed envelope concurrently with the Technical Proposal. Description of Fee Proposal requirements, generally stating the consultant's proposed costs for providing the services described in the Technical Proposal. Fee Proposals are to include a breakdown of services by title, approved wage rate escalated to design mid-point, Direct Expenses and Interim Overhead rate as approved by the Department's Bureau of Auditing. Proposed fixed fee is also to be included. All subconsultant costs are to be similarly broken down. Sealed Fee Proposals are to be forwarded to the Bureau of Contract Administration Services for safekeeping during final negotiations.
4. Agreement type to be used for this contract. This was previously determined in accordance with Sections 19.2.3 and 19.3.1.
5. Requirements for oral presentations to the Technical Evaluation Committee. Oral presentations should be scheduled during the Technical Proposal rating period so that the Technical Evaluation Committee can include oral presentation ratings in the final evaluation of all “short listed” consultants.

A meeting may be scheduled with all consultants during the Technical Proposal preparation time period so that consultant's inquiries may be responded to. The solicitation notice should

also advise consultants of the presence and availability of any existing studies or plans of the project area.

Evaluation criteria for Technical Proposals must be developed by the Project Manager. Criteria previously developed for rating Expressions of Interest must be reevaluated and modified for use in the evaluation for Technical Proposals. Additional criteria may be based on, but not limited to, the following:

- Presentation of the Proposal
- Understanding of the Project Scope
- Innovation and ingenuity
- Experience on similar projects
- Key personnel assigned to the project
- EEO and MBE qualifications
- Additional project-specific criteria
- Oral presentation (if required)

Upon receipt of the Technical Proposals, the Project Manager's Agreement Coordinator will distribute a copy to each member of the Technical Evaluation Committee, with a blank rating form listing the selected evaluation criteria, relative weighting, and scoring ranges as determined by the Project Manager. A sample copy of such a form used for Technical Proposal Evaluation is included as Attachment 6.

The Technical Evaluation Committee will then evaluate and score all Technical Proposals within 5 to 10 working days and return completed rating forms to the Project Manager. The Project Manager's Agreement Coordinator will then compile all ratings and prepare a ranking summary form which is to be signed by each member of the Technical Evaluation Committee. The Project Manager should schedule and conduct a meeting of the Technical Evaluation Committee to discuss the Committee's recommendation.

The Project Manager's Agreement Coordinator then prepares the Consultant Selection Committee Package in accordance with Selection 19.2.7.

19.2.9 Selection Approval Process

The Moderator/Secretary of the Consultant Selection Committee assigns the Selection Number and Agreement Number and presents the package listing the Firms in order of ranking to the Consultant Selection Committee for selection.

The Consultant Selection Committee will then consider the recommendations presented to the Committee and select a Consultant based on Department Policy and comparative evaluations of the professional and technical qualifications necessary for satisfactory performance of the required services.

The moderator/secretary of the Consultant Selection Committee recommends the selected Consultant to the Deputy Commissioner for concurrence and final approval through the Executive Decision Document.

The Deputy Commissioner reviews the Consultant Selection Committee action and informs Professional Services of the approval or rejection of the selection. If disapproved, the Moderator/Secretary of the Consultant Selection Committee shall follow the directions given by the Deputy Commissioner.

The Bureau of Professional Services notifies the Bureau of Contract Administration Services of the outcome of the Consultant Selection. For Standard Projects, the selected consultant's Fee Proposal is then opened by the Bureau of Contract Administration Services and provided to the Project Manager.

The Project Manager is responsible for tracking the above activities and assisting the Bureau of Professional Services in expediting their completion.

19.2.10 Notification to Consultants

The Bureau of Contract Administration Services is responsible for providing notification of Consultant Selection Committee actions to all consultants submitting Expressions of Interest or Technical Proposals.

For Simple Projects, upon approval of the selection by the Deputy Commissioner:

1. The Project Manager is to notify the selected consultant, scheduling a Scope of Work meeting, and requesting a Technical and Fee Proposal to be submitted within 5 working days of the meeting. Details of the Scope of Work meeting are included in Section 19.3.2.
2. The Bureau of Contract Administration Services is to notify all remaining consultants submitting an Expression of Interest of their non-selection. Consultants who respond to the Project Manager requesting a review of the Expressions of Interest rating and ranking are to be referred to the Bureau of Contract Administration Services who is to provide only the following information:
 - The requesting consultant's own numerical score.
 - The maximum numerical score possible for the project.
 - The ranking of other firms but not the numerical scores.
 - A description of how the firm did in each evaluation category. The firm may not know their numerical score by category.
 - The names of the reviewers of the Expression of Interest and Technical Proposals shall not be given out. The contact person for the consultant inquiring as to the above information is only the Bureau of Contract Administration Services.

For Standard Projects, upon approval of the "short list" by the Consultant Selection Committee:

1. The Project Manager's Agreement Coordinator is to notify the "short listed" consultants by preparing and sending the solicitation package notification described in Section 19.2.8.

2. The Bureau of Contract Administration Services is to notify all remaining consultants submitting an Expression of Interest of their failure to be included in the “short list” as per the guidance provided above under Simple Projects, Item 2. Sealed Fee Proposals are to be retained by the Bureau of Contract Administration Services until successful negotiations are completed with the selected consultant.

For Standard Projects, upon approval of the selection by the Deputy Commissioner:

1. The Project Manager is to notify the selected consultant, scheduling the anticipated completion of the Department’s review of the Technical and Fee Proposals, and a tentative date for the one day negotiating session.
2. The Bureau of Contract Administration Services is to notify the remaining “short listed” consultants of their non-selection, advising that their sealed Fee Proposals will be retained by the Bureau of Contract Administration Services. At that time, if the consultant has provided a stamped, self-addressed envelope, the Fee Proposal will be returned. Otherwise, the consultant will be instructed regarding his ability to pick up the sealed Fee Proposal.

***Attachment 1 - Administration of Engineering and Design
Related Service Contracts***

SUBCHAPTER B - PAYMENT PROCEDURES

PART 172 - ADMINISTRATION OF ENGINEERING AND DESIGN RELATED SERVICE CONTRACTS

Subpart A - Procurement Procedures

Sec.

172.1 Purpose and applicability.

172.3 Definitions.

172.5 General principles.

172.7 Methods of procurement.

172.9 Compensation.

172.11 Contract modifications.

172.13 Monitoring the contract work.

172.15 Alternate procedures.

Authority: 23 U.S.C. 112(b), 114(a), 302, 315, and 402; 49 CFR 1.48(b) and 18; 48 CFR 12 and 31; 41 U.S.C. 253 and 259; and Sec. 1060, Pub. L. 102-240, 105 Stat. 1914, 2003 (1991).

Source: 56 FR 19802, April 30, 1991, unless otherwise noted.

Sec. 172.1 Purpose and applicability.

- (a) To prescribe policies and procedures for contracting to ensure that a qualified consultant is obtained through an equitable selection process, and that prescribed work is properly accomplished in a timely manner, at a reasonable cost.
- (b) This regulation applies to all engineering and design related service contracts financed with Federal-aid highway funds. Agencies with approved Certification Acceptance Plans (CA), Secondary Road Plans (SRP), and/or Combined Road Plans (CRP) shall submit for the Federal Highway Administration's (FHWA) approval, procedures consistent with this regulation if they intend to utilize Federal-aid highway funds for any of the above contract types. The use of procedures codified in State statutes to select consultant firms is also acceptable. Other types of negotiated contracts should be administered under the requirements of the common grant management rule, 49 CFR 18.

Sec. 172.3 Definitions.

As used in this part:

Competitive negotiation. Any form of negotiations that utilizes (1) qualifications-based procedures complying with Title IX of the Federal Property and Administrative Services Act of 1949 (Pub. L. 92-582, 86 Stat. 1278 (1972)); (2) equivalent State qualifications-based procedures; or (3) a formal procedure permitted by State statute.

Consultant. The individual or firm providing engineering and design related services as a party to the contract.

Contracting agency. The State highway agency or local governmental agencies which have responsibility for the procurement.

Contract modification. An agreement modifying the existing contract, such as an agreement to accomplish work beyond the scope of the original contract.

Engineering and design services. Program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, mapping, or architectural related services.

Extra work. Any services or actions required of the consultant above and beyond the obligations of the original or modified contract.

Fixed fee. A dollar amount established to cover the consultant's profit and business expenses not allocable to overhead.

Prenegotiation audit. An examination of a consultant's records made in accordance with generally accepted auditing standards.

Private sector engineering and design firms. Any individual or private firm (including small business concerns and small businesses owned and controlled by socially and economically disadvantaged individuals as defined in 49 CFR part 23) contracting with a State to provide engineering and design services.

Scope of work. All services and actions required of the consultant by the obligations of the contract.

Sec. 172.5 General principles.

- (a) Need for consultant services in management roles. When Federal-aid highway funds participate in the contract, the contracting agency shall receive approval from the FHWA before hiring a consultant to act in a "management" role for the contracting agency. This concept should be limited to situations where unique or unusual circumstances exist and where the contracting agency has provided adequate justification to explain its reason for using a consultant in this role and the reason it cannot perform the work.
- (b) Written procedures. The contracting agency shall prepare written procedures for each method of procurement it proposes to utilize. These procedures and all revisions shall be approved by the FHWA and describe, as appropriate to the particular method of procurement, each step used:
 - (1) In preparing a scope of work, evaluation factors and cost estimate for selecting a consultant,
 - (2) In soliciting proposals from prospective consultants,

- (3) In the evaluation of proposals and the ranking/selection of a consultant,
 - (4) In negotiation of the reimbursement to be paid to the selected consultant,
 - (5) In monitoring the consultant's work and in preparing a consultant's performance evaluation when completed, and
 - (6) In determining the extent to which the consultant, who is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors or deficiencies in design furnished under its contract.
- (c) Prenegotiation audits. The contracting agencies shall prepare prenegotiation audits to provide the necessary data to assure that the consultant has an acceptable accounting system, adequate and proper justification of the various rates charged to perform work, and is aware of the FHWA's cost eligibility and documentation requirements.
- (1) Prenegotiation audits and the resultant audit opinions are required for all contracts expected to exceed \$250,000 and for contracts of less than \$250,000 where:
 - (i) There is insufficient knowledge of the consultant's accounting system,
 - (ii) There is previous unfavorable experience regarding the reliability of the consultant's accounting system, or
 - (iii) The contract involves procurement of new equipment or supplies for which cost experience is lacking.
 - (2) The use of an independent audit, an audit performed by another State/Federal agency or an audit performed by another local governmental agency is acceptable if the information is current and of sufficient detail.
 - (3) Prenegotiation audits may be waived when sufficient audited consultant data is available to permit reasonable comparisons with the cost proposal.
- (d) State responsibility in local agency contracts. The State highway agency shall ensure that procurement actions by or through other State agencies or local agencies comply with this regulation. When Federal-aid highway funds participate in the contract, a local agency shall use the same procedures as used by the State to administer contracts not under CA, the SRP or the CRP. These contracts shall be subject to the prior approval of the State highway agency and the FHWA. Nothing herein shall be taken as relieving the State of its responsibility under Federal-aid highway laws and regulations for the work to be performed under any agreements entered into by a local agency.
- (e) Disadvantaged Business Enterprise (DBE) program. The contracting agency shall give consideration to DBE firms in the procurement of engineering and design related service contracts subject to 23 U.S.C. 112(b) (2).

- (f) Contractual responsibilities. The contracting agency or State highway agency shall be responsible for the settlement of all contractual/administrative issues. All settlements shall be reviewed and approved by the FHWA before Federal-aid highway funds can participate in any additional costs.

Sec. 172.7 Methods of procurement.

This regulation addresses three methods of procurement for the hiring of consultants to perform engineering and design related services specified in 23 U.S.C. 112(b) (2). These methods are: competitive negotiations which follows qualifications-based selection procedures or another selection procedure permitted by State statutes; small purchase procedures for small dollar value contracts; and non-competitive negotiations where specific conditions exist allowing negotiations to take place with a single firm.

- (a) Competitive negotiation. Competitive negotiation should be used for the selection of a consultant to provide engineering and design related services. The following procedures shall apply to the competitive negotiation process:
- (1) Scope, evaluation factors and cost estimate development. The contracting agency shall prepare:
- (i) A scope of work before issuing a Request for Proposal that reflects a clear, accurate, and detailed description of the technical requirements for the services to be rendered and a list identifying the evaluation factors and their relative importance.
 - (ii) A detailed cost estimate, except for contracts awarded under small purchase procedures, with an appropriate breakdown of specific types of labor required, work hours, and an estimate of the consultant's fixed fee (considering the risk and complexity of the project) for use during negotiations.
- (2) Soliciting proposals.
- (i) Solicitation. The solicitation process shall be by advertisement (project, task or service), by mailing Requests for Proposals to certified/prequalified consultants, or any other method that ensures qualified in-State and out-of-State consultants are given the opportunity to be considered for award of a contract. It shall include a process where either:
 - (A) General interest is solicited for performing the work; responding consultants are ranked based on an evaluation of their qualification statements (submitted with their letters of interest or on file with the contracting agency); and proposals are requested from three or more firms starting with the highest ranked firm, or
 - (B) Proposals are solicited from all consultants that are interested in being considered for the work.

- (ii) Request for proposal. The request for proposal shall:
 - (A) Provide a description of the scope of work and identification of the evaluation factors including their relative importance as included in Paragraph (a) (1) of this section.
 - (B) Specify the method(s) of payment (lump sum, cost plus a fixed fee, cost per unit of work, or specific rate(s) of compensation).
 - (C) Request the submission of a proposal. Priced proposals may be used in the selection phase if allowed for under a State statute, but shall not be used in the selection phase when qualifications-based procedures are used.
 - (D) Allow sufficient time for the consultant to prepare and submit the proposal.
- (3) Analysis and selection.
 - (i) The consultants' proposals, containing the information required by Paragraph (a) (2) of this section, shall be evaluated and ranked by the contracting agency. This process shall include an analysis of the proposals in comparison to the evaluation factors. In addition, the consultants' applicable work experience, present workload, past performance, staffing capabilities, etc., should be evaluated and included in the ranking process.
 - (ii) The award of engineering and design related services shall:
 - (A) Utilize qualifications-based procedures that either comply with the provisions of Title IX of the Federal Property and Administrative Services Act of 1949 (Pub. L. 92-582, 86 Stat. 1278 (1972), as amended) or utilize equivalent State qualifications-based procedures, or
 - (B) Utilize a formal procurement procedure that is established by State statute or is subsequently established by State statute.
 - (iii) The contracting agency shall retain acceptable documentation of the proposal, evaluation and selection of the consultant. Records shall be maintained in accordance with the provisions of 49 CFR 18.42.
- (4) Negotiation responsibilities.
 - (i) The negotiator shall use all resources available to conduct effective negotiations, including but not limited to, the refined scope of work, the evaluation factors and their relative importance, the agency's cost estimate as required in Paragraph (a) (1) of this section, and the audit opinion issues as a result of the prenegotiation audit required in Sec. 172.5(c) of this part.

- (ii) The negotiator shall separately negotiate the dollar amounts for elements of cost and a fixed fee except for services normally negotiated on a per unit (includes costs and fees) cost.
 - (iii) The contracting agency shall maintain records of negotiations to document negotiation activities and set forth the resources considered by the negotiator. Records shall be maintained in accordance with the provisions of 49 CFR 18.42.
- (5) Execution of contracts. The proposed contract including the agreed upon cost figures shall be submitted to the FHWA for approval prior to its execution.
- (b) Small purchases. Contracting agencies may use small purchase procedures for the procurement of engineering and design related services when the contract cost does not exceed \$25,000.
- (c) Noncompetitive negotiation. Noncompetitive negotiation may be used to obtain engineering and design related services when the award of a contract is not feasible under small purchase or competitive negotiation procedures. The contracting agency shall submit justification and receive approval from the FHWA before using this form of contracting when Federal-aid highway funds are used in the contract.
 - (1) Circumstances under which a contract may be awarded by noncompetitive negotiation are limited to the following:
 - (i) The service is available only from a single source, or
 - (ii) There is an emergency which will not permit the time necessary to conduct competitive negotiations, or
 - (iii) After solicitation of a number of sources, competition is determined inadequate.
 - (2) The contracting agency shall comply with the following procedures for noncompetitive negotiations:
 - (i) Establish a process to determine when noncompetitive negotiation will be used,
 - (ii) Develop an adequate scope of work, evaluation factors and cost estimate as required in Paragraph (a) (1) of this section,
 - (iii) Conduct negotiations as required in Paragraph (a) (4) of this section, and
 - (iv) Submit the proposed contract and cost estimate to the FHWA for approval.

Sec. 172.9 Compensation.

- (a) Contracting agencies may establish cost principles for determining the reasonableness and allowability of costs. Federal reimbursement shall be limited to the Federal share of the costs allowable under the cost principles in 48 CFR 31 (Federal Acquisition Regulations). Any references included in 48 CFR 31 to other parts of 48 CFR do not apply to these contracts.
- (b) Applicable cost principles shall be referenced in each contractual document.
- (c) Methods of payment.
 - (1) The method of payment to compensate the consultant for all work required shall be set forth in the original contract and in any contract modifications thereto. It may be a single method for all work or may involve different methods for different elements of work. The methods of payment which shall be used are: lump sum, cost plus fixed fee, cost per unit of work or specific rates of compensation.
 - (2) Compensation based on cost plus a percentage of cost or percentage of construction cost shall not be used.
 - (3) When the method of payment is other than a lump sum, the contract shall specify a maximum amount payable which shall not be exceeded unless adjusted by a contract modification.
 - (4) The lump sum method shall not be used to compensate a consultant for construction engineering and inspection services except when the agency has established the extent, scope, complexity, character and duration of the work to be required to a degree that fair and reasonable compensation including a fixed fee can be determined.
- (d) Fixed fees.
 - (1) The determination of the amount of the fixed fee shall take into account the size, complexity, duration, and degree of risk involved in the work. The establishment of the fixed fee shall be project specific.
 - (2) Fixed fees normally range from 6 to 15 percent of the total direct and indirect cost. Subject to the approval of the FHWA, a fixed fee over 15 percent may be justified when exceptional circumstances exists.

Sec. 172.11 Contract modifications.

- (a) Contract modifications are required for any modification in the terms of the original contract that change the cost of the contract; significantly change the character, scope, complexity, or duration of the work; or significantly change the conditions under which the work is required to be performed.
- (b) A contract modification shall clearly outline the changes made and determine a method of compensation. FHWA approval of contract modifications shall be obtained prior to beginning the work except as discussed in Paragraph (d) of this section.

- (c) Overruns in the costs of the work shall not warrant an increase in the fixed fee portion of a cost plus fixed fee contract. Significant changes to the Scope of Work may require adjustment of the fixed fee portion in a cost plus fixed fee contract or in a lump sum contract.
- (d) In unusual circumstances, the consultant may be authorized to proceed with work prior to agreement on the amount of compensation and execution of the contract modification, provided the FHWA has previously approved the work and has concurred that additional compensation is warranted.

Sec. 172.13 Monitoring the contract work.

- (a) A public employee qualified to ensure that the work being pursued is complete, accurate and consistent with the terms, conditions, and specifications of the contract shall be in responsible charge of each contract or project. The employee's responsibilities include:
 - (1) Scheduling and attending progress meetings with the consultant and being involved in decisions leading to change orders or supplemental agreements,
 - (2) Being familiar with the qualifications and responsibilities of the consultant's staff,
 - (3) Visiting the project and/or consultant's offices on a frequency that is commensurate with the magnitude, complexity and type of work. This includes being aware of the day-to-day operations for Construction Engineering Service contracts, and
 - (4) Assuring that costs billed are consistent with the acceptability and progress of the consultant's work.
- (b) A final performance evaluation report, except for contracts awarded under small purchase procedures shall be prepared by the public employee in responsible charge of the contract and shall be submitted to the State highway agency's contracting office. The report should include, but not be limited to, an evaluation of such items as timely completion of work, conformance with contract cost and the quality of work. A copy of the report shall be sent to the firm for its review and/or comments and any written comments submitted to the contracting agency by the firm shall be attached to the final report.
- (c) Contracting agencies should include a clause in engineering contracts requiring the consultant to perform such additional work as may be necessary to correct errors in the work required under the contract without undue delays and without additional cost to the owner. However, in general, a consultant should not be held responsible for additional costs in subsequent related construction resulting from errors or omissions which are not a result of gross negligence or carelessness.

Sec. 172.15 Alternate procedures.

- (a) This is a process whereby the contracting agency can be authorized to substitute its contract review and approval actions for those of the FHWA. Before a contracting agency can operate under the alternate procedures concept, it shall submit procedures to the FHWA that include the following:
 - (1) A formal request to operate under the alternate procedure concept.
 - (2) The written procedures, as required by Sec. 172.5(b) of this part, it will follow, and
 - (3) A statement signed by the chief administrative officer of the contracting agency certifying that it will conform with its written procedures, the provisions of this regulation, and all applicable Federal and State laws and administrative requirements.
- (b) The alternate procedures and all revisions shall be approved by the FHWA.
- (c) The alternate procedures concept may apply to all Federal-aid highway funded contracts.
- (d) A copy of the original executed contract and all contract modifications shall be submitted to the FHWA.

Attachment 2 - Consultant Prequalifications

INSERT FORM PS-02
Pages 23-29

INSERT FORM PS-02
Pages 23-29

INSERT FORM PS-02
Pages 23-29

INSERT FORM PS-02
Pages 23-29

INSERT FORM PS-02
Pages 23-29

INSERT FORM PS-02
Pages 23-29

**NEW JERSEY DEPARTMENT OF TRANSPORTATION
DIVISION OF PROCUREMENT
BUREAU OF PROFESSIONAL SERVICES**

DEFINITIONS FOR TYPES OF PROJECTS FOR CONSULTANT SELECTION

Simple Projects - (any one of the following)

1. Any project, regardless of fee, involving an emergency situation or a constricted time frame.
2. Projects having an estimated fee of \$500,000 or less.
3. Projects having limited scopes of work such as: Resurfacing, Bridge Deck Patching, Construction and Bridge Inspection.

Standard Projects

Multi-disciplined projects, highly specialized projects, or projects having an estimated fee of more than \$500,000.

DEFINITIONS FOR PREQUALIFICATIONS OF CONSULTANTS

Simple Level A

Prequalification of Consultants for project types having an estimated fee less than \$500,000.

Routine Level B

Prequalification of Consultants for project types having an estimated fee of at least \$500,000 but less than \$1,500,000.

Complex Level C

Prequalification of Consultants for project types having an estimated fee of \$1,500,000 or more.

**CONSULTANT PREQUALIFICATION
EVALUATION CRITERIA**

DISCIPLINE:

	Level - A Simple	Level - B Routine	Level - C Complex
1. Staff Size by Expertise			
2. Number and Size of Similar Projects			
3. Years Experience of Firm			
4. Years Experience of Key Staff			
5. Equipment			
6. Other			

Attachment 3 - Expression of Interest Package

NEW JERSEY DEPARTMENT OF TRANSPORTATION

MEMORANDUM

TO: Secretary/Moderator
Consultant Selection Committee

FROM: Manager, Bureau of Contract
Administration Services

DATE:

PHONE:

SUBJECT: Expressions of Interest
FY - 97 Task Order Preliminary Engineering Agreement
Cost Plus Fixed Fee

Please post the attached Expression of Interest letter on the Electronic Bulletin Board. The following information is in compliance with your memorandum of _____ stating Revisions Involving the Consultant Selection Process.

BRIEF DESCRIPTION

Preliminary Engineering "Scoping" for the Bureau of Project Scope Development (BPSD), which includes: identification of the problem, providing Community Involvement Support, analyzing existing data and obtaining additional background information as required, developing schemes and cost estimates, performing an Alternatives Analysis providing information to obtain a Level of Action Determination, and preparation of the Engineering Proposal for transfer to the Project Management Section.

This Agreement will provide BPSD with the capability to more efficiently meet the compressed project schedules for its own activities and will provide BPSD with the capability to assist others in their priority assignments, thus greatly contributing to the on-time project delivery which is critical to the Department's ability to deliver its Fiscal Year Capital Programs.

TYPE OF PROJECT/CONSULTANT COSTS

Funding for this Preliminary Engineering Agreement is limited to an amount not to exceed \$350,000.00; therefore, this project shall follow the Simple Project Consultant Selection Process.

FUNDING TYPE/SOURCE

Funding is from Item No. XXX of the 1997 Construction Program, 100% State.

DISCIPLINES AND CLASSIFICATION LEVEL

B-1, Bridge Design Level B

G-2, Geotechnical Design Level A

H-1, Highway Design Level C

T-1, Traffic Engineering Level B

H-3, Hydrology, Hydrogeology, Hydraulics Level A

GENERAL SCOPE OF SERVICES

TASK ORDER PRELIMINARY ENGINEERING AGREEMENT

- A. The CONSULTANT shall perform the following tasks:
1. Public Involvement, including:
 - a. Introductory Public Meetings (Public Information Centers).
 - b. Meetings with Local Officials.
 - c. Developing material (handouts and graphics) for meetings.
 - d. Providing 3D Computer Modeling of proposed schemes for presentation purposes.
 2. Topographic Mapping for base maps of the study area (development of alignment alternatives, environmental constraints, etc.). This work effort includes photogrammetry, and submittal of information on Intergraph Compatible compact disks.
 3. Traffic Data Collection, including:
 - a. Automatic Traffic Recorder Counts.
 - b. Manual Classification Counts.
 - c. Turning Movement Counts.
 - d. Accident Location Diagrams and Analysis.
 4. Traffic Studies to determine:
 - a. Major Origins and Destinations of corridor travels, existing and projected.
 - b. Existing and Future Traffic Volumes.
 - c. Levels of Service and Capacity Analysis.
 - d. Trip Generation/Trip Distribution, Modal Split Analysis
 5. Surveying: Field survey to establish horizontal and vertical contours on topographic mapping.
 6. Cost Estimates, including:
 - a. Right of Way.
 - b. Construction.

- c. Utility Relocation.
7. Design, including:
- a. Development of 1:1000 scale or larger Preliminary Design of Concepts.
 - b. Development of 1:300 scale Design Plans.
 - c. Preparation of Design Exceptions.
 - d. Development of Structural Designs.
- Note:** If Design is undertaken on CADD, all information provided shall be compatible with the Microstation Intergraph System.
8. Soil Boring Program, identifying subsurface conditions.
9. Hydraulic/Hydrologic Studies, identifying potential roadway and adjacent area flooding, and developing a means to mitigate.
10. Preparation of Related Reports, studies, maps, photographs, renderings/drawings, etc.
11. Alternatives Analysis, describing the various alternatives studied (based on proposed design schemes, traffic and transportation needs), including a recommendation to advance an alternative to final design, and reasons why others are rejected.
12. Computer Generated Data and Information, providing assistance in assessing and manipulating computer generated data and information.

EXPRESSION OF INTEREST FOR NJDOT SIMPLE PROJECTS

RE: (Name of Project)

Dear Consultant:

The NJDOT's competitive consultant selection process has yielded the attached list of consultant firms from which one may be selected to perform work associated with the above-referenced project.

Because your firm is on this list, you are invited to submit an Expression of Interest in the project which is described in the attached scope of work.

The following is (are) the discipline(s) and level of service for which firms must be prequalified with the NJDOT prior to responding to this Expression of Interest.

(List Disciplines and Level of Service)

Firms wanting to Joint Venture may do so by completing and returning the attached Statement of Joint Venture with the submission of their Expression of Interest. However, firms doing so must be prequalified with the NJDOT and by joint venture meet the discipline(s) and level of service(s) requirements for this project.

The Expression of Interest shall be no more than three typed, single sided, 210 by 297 mm sheets in length. Anything in excess of this page limitation will not be read or considered. The Expression of Interest must contain the following information:

1. A statement that your firm is interested in performing the work described in the attached scope.
2. The address of the office in which the work would be performed.
3. The name, title, and ASCE grade of the individual who would be assigned as your project manager.
4. A listing of work areas you would subcontract out to other firms, the names of the firms you would anticipate using as subconsultants, and the subconsultant project manager.
5. A narrative demonstrating your understanding of the project work and detailing your firm's particular ability to perform this work.
6. A statement certifying that the Consultant will make a good faith effort to meet the established goals.
7. Return the attached workload disclosure form completed and signed with your Expression of Interest. (DISCLOSURE FORM IS TO BE SEPARATE FROM ANY BOOKLET TYPE PROPOSAL TO FACILITATE COPYING)

8. The staff you propose in an Expression of Interest MUST be used in the performance of the project. When proposing same staffing in multiple Expressions of Interest, please disclose the following: A. Confirm all projects utilizing same staff will be completed on time (or) B. Selection for one project would mean voluntary withdrawal from consideration for other projects utilizing same staff.

Resumes of key personnel must be attached to the Expression of Interest. Each resume shall be a maximum of two, single sided, 210 by 297 mm sheets in length and should highlight education, professional credentials, and work performance on projects similar to that described in the attached scope. You must include the resume of the project manager, as well as the resume(s) of _____.

Your Expression of Interest must be received by the NJDOT no later than the close of business on (date) to be considered for evaluation. _____ copies of the Expression of Interest should be sent to:

(NJDOT Project Manager)
(Address)
(Telephone Number)

If your firm is not interested in performing this work for any reason, please notify the NJDOT Bureau of Contract Administration Services of this fact. If your firm does not respond to this request for an Expression of Interest by the due date set forth above, it will be concluded that you are not interested in performing the work for this project.

Expressions of Interest will be reviewed and evaluated. Attached is a copy of the Rating Sheet with weights indicated. Recommendations to the Consultant Selection Committee will be based on these evaluations, as well as your statement to meet established goals for this project.

[USE ONE OF THE TWO FOLLOWING PARAGRAPHS WITH REGARDS TO DBE GOALS:]

The Goal for this project is _____% (State 10%, Federal 16%)*. An updated DBE/WBE/MBE list may be obtained by contacting the Bureau of Professional Services at (609) 530-2452. Failure to meet the established goal may be cause for canceling negotiations with a selected firm and selecting a new firm.

(OR)

The Goal for this project is 0%. If you plan to subcontract any work, we encourage the use of Certified DBE/WBE/MBE. An updated listing may be obtained by contacting the Bureau of Professional Services at (609) 530-2452.

We anticipate that a consultant selection will be made for this project during the month of _____.

*Goals for State funded projects shall be a total of 10% minimum consisting of: WBE 3% minimum plus MBE 7% minimum. Goals for Federally funded projects shall be a total of 16% minimum consisting of: DBE's and/or WBE's to satisfy the goal.

Sincerely,

(NJDOT Project Manager)

Enclosures

c: Bureau of Professional Services

EXPRESSION OF INTEREST FOR NJDOT STANDARD PROJECTS

RE: (Name of Project)

Dear Consultant:

The NJDOT's competitive consultant selection process has yielded the attached list of consultant firms from which one may be selected to perform work associated with the above-referenced project.

Because your firm is on this list, you are invited to submit an Expression of Interest in the project which is described in the attached scope of work.

The following is (are) the discipline(s) and level of service for which firms must be prequalified with the NJDOT prior to responding to this Expression of Interest.

(List Disciplines and Level of Service)

Firms wanting to Joint Venture may do so by completing and returning the attached Statement of Joint Venture with the submission of their Expression of Interest. However, firms doing so must be prequalified with the NJDOT and by joint venture meet the discipline(s) and level of service(s) requirements for this projects.

The Expression of Interest shall be no more than three typed, single sided, 210 by 297 mm sheets in length. Anything in excess of this page limitation will not be read or considered. The Expression of Interest must contain the following information:

1. A statement that your firm is interested in performing the work described in the attached scope.
2. The address of the office in which the work would be performed.
3. The name, title, and ASCE grade of the individual who would be assigned as your project manager.
4. A listing of work areas you would subcontract out to other firms, the names of the firms you would anticipate using as subconsultants, and the subconsultant project manager.
5. A narrative demonstrating your understanding of the project work and detailing your firm's particular ability to perform this work.
6. A statement certifying that the Consultant will make a good faith effort to meet the established goals.
7. Return the attached workload disclosure form completed and signed with your Expression of Interest. (DISCLOSURE FORM IS TO BE SEPARATE FROM ANY BOOKLET TYPE PROPOSAL TO FACILITATE COPYING)

8. The staff you propose in an Expression of Interest MUST be used in the performance of the project. When proposing same staffing in multiple Expressions of Interest, please disclose the following: A. Confirm all projects utilizing same staff will be completed on time (or) B. Selection for one project would mean voluntary withdrawal from consideration for other projects utilizing same staff.

Resumes of key personnel must be attached to the Expression of Interest. Each resume shall be a maximum of two, single sided, 210 by 297 mm sheets in length and should highlight education, professional credentials, and work performance on projects similar to that described in the attached scope. You must include the resume of the project manager, as well as the resume(s) of _____.

Your Expression of Interest must be received by the NJDOT no later than the close of business on (date) to be considered for evaluation. _____ copies of the Expression of Interest should be sent to:

(NJDOT Project Manager)
(Address)
(Telephone Number)

If your firm is not interested in performing this work for any reason, please notify the NJDOT Project Manager of this fact. If your firm does not respond to this request for an Expression of Interest by the due date set forth above, it will be concluded that you are not interested in performing the work for this project.

Expressions of Interest will be reviewed and evaluated. Attached is a copy of the Rating Sheet with weights indicated. Recommendations to the Consultant Selection Committee will be based on these evaluations, as well as your statement to meet established goals for this project.

[USE ONE OF THE TWO FOLLOWING PARAGRAPHS WITH REGARDS TO DBE GOALS:]

The Goal for this project is _____% (State 10%, Federal 16%)*. An updated DBE/WBE/MBE list may be obtained by contacting the Bureau of Professional Services at (609) 530-2452. Failure to meet the established goal may be cause for canceling negotiations with a selected firm and selecting a new firm.

(OR)

The Goal for this project is 0%. If you plan to subcontract any work, we encourage the use of Certified DBE/WBE/MBE. An updated listing may be obtained by contacting the Bureau of Professional Services at (609) 530-2452.

We anticipate that a consultant selection will be made for this project during the month of _____.

(OPTIONAL: A presentation will be made on (date, time and location) to discuss the scope of work for this project in greater detail for any interested party.)

If you have any questions regarding any aspect of this project, you may call the NJDOT Project Manager identified above.

*Goals for State funded projects shall be a total of 10% minimum consisting of: WBE 3% minimum plus MDB 7% minimum. Goals for Federally funded projects shall be a total of 16% minimum consisting of: DBE's and/or WBE's to satisfy the goal.

Sincerely,

(NJDOT Project Manager)

Enclosures

c: Bureau of Professional Services

EXPRESSION OF INTEREST

RATING FORM

CRITERIA	WEIGHT*	POINTS*	TOTAL
1) Location	x	=	
2) Project Manager	x	=	
3) Key Staff	x	=	
4) Understanding of Project	x	=	
5) Particular Ability to Perform Work (Including Prior Experience and Appropriateness and Ability of Subconsultant)	x	=	
6) Special Innovative Concepts or Benefits to Bring to the Project	x	=	
7) Other _____	x	=	

GRAND TOTAL _____

*USE WHOLE NUMBERS ONLY AS INDICATED BELOW.

POINTS	High	=	5	Weighting -	Most Important	=	5
			4				4
			3				3
			2				2
	Low	=	1		Least Important	=	1

TO ALL CONSULTANTS

FIRM NAME _____

Re: Workload Disclosure Form

PROJECT DESCRIPTION _____

Dear Consultant:

The purpose of this form is to disclose the outstanding work your firm has with the Department. The outstanding work is defined as all work your firm anticipates to bill the Department in the next 18 months. Do not include work to be performed by your Subconsultants. However, work your firm has as a Subconsultant should be included. Include recent Consultant Selections (unexecuted Agreements), all executed Agreements, Letters of Intent and Modifications with outstanding work and Modifications that under normal conditions should be executed and billable in the next 18 months.

The Consultant Selection Committee will only consider workload at the time of reviewing this Expression of Interest (EOI) for selection and or short listing. If this project requires a technical proposal (Standard projects only), workload will not be considered again.

The undersigned certifies that the foregoing information regarding outstanding work is true and accurate as of _____. I am aware that if any of the foregoing information provided herein is willfully false, I am subject to punishment as provided by law.

Certification: _____
Signature of Principal of the Firm Print Principals Name

Please complete this form and submit as a separate sheet, **NOT** bound with your EOI submission.

List each Agreement and Modification separately.

DISCLOSURE

TOTAL OUTSTANDING WORK
ANTICIPATED TO BE BILLED/INVOICED
FOR THE NEXT 18 MONTHS FROM THE
DATE OF THIS EXPRESSION OF
INTEREST LETTER

TOTAL OUTSTANDING WORK
NOT ANTICIPATED TO BE
BILLED/INVOICED FOR THE
NEXT 18 MONTHS (check
with Department Project Managers
for durations)

AGREE# MOD# DESCRP. \$ _____

AGREE# MOD# DESCRP. \$ _____

TOTAL \$ _____

TOTAL \$ _____

STATEMENT OF JOINT VENTURE

STATE OF NEW JERSEY)

) SS:

COUNTY OF)

We, the undersigned, being duly sworn according to law, upon our respective oaths depose and say that:

1. Each of the following named Consultants are pre-qualified with the New Jersey Department of Transportation to respond to Expressions of Interest for work of that Department.

(A) _____;
() Individual () Partnership () Corporation

(B) _____;
() Individual () Partnership () Corporation

(C) _____;
() Individual () Partnership () Corporation

2. The Consultants listed in Paragraph 1, above, have entered into a joint venture agreement for the special purpose of carrying on the work hereafter described in Paragraph 5 of this Statement.
3. Under the terms of the joint venture agreement, the assets of each of the Consultants named in Paragraph 1, above, will be available for the performance of the work of the joint venture and for the satisfaction of any obligation or liability incurred by the joint venture. If any of the Consultants named above is a partnership, the assets of the individual members of such partnership will also be available to satisfy any obligations or liability of the joint venture.
4. This statement of joint venture is executed so that the named Consultants may under such joint venture, compete for the work described in Paragraph 5 of this Statement. If the joint venture is selected to perform the work, the contract for the work shall be executed by any person authorized to bind any Consultant to this joint venture, and when so executed shall bind this joint venture and each and every Consultant named herein, severally and jointly.
5. The work for which this joint venture has been entered into is identified as:

6. Each person signing this Statement of Joint Venture is duly authorized and empowered to execute this Statement in the name of and on behalf of the Consultant as stated in the attached Authorization of Signature, and each person signing this Statement and each Consultant represents under penalty of law that the facts set forth herein are true and correct to the best their knowledge, information, and belief.

Subscribed and Sworn to before me
this _____ Day of
_____, 19____

(A) _____
(Name of Consultant)

By _____
(Type or Print)

Subscribed and Sworn to before me
this _____ Day of
_____, 19____

(B) _____
(Name of Consultant)

By _____
(Type or Print)

Subscribed and Sworn to before me
this _____ Day of
_____, 19____

(C) _____
(Name of Consultant)

By _____
(Type or Print)

TO BE EXECUTED BY EACH JOINT VENTURER

**SIGNATURE AUTHORIZATION
STATEMENT OF JOINT VENTURE**

(A) _____ hereby certifies that
(Name of Consultant)

_____ has been and is hereby empowered
(Name of Representative)

to sign the foregoing Statement of Joint Venture as the

authorized representative of _____ for the special
(Name of Consultant)

purpose therein expressed.

ATTEST _____
(Corporate Secretary, (Seal necessary if Corporation) (if Corporation))

(B) _____ hereby certifies that
(Name of Consultant)

_____ has been and is hereby empowered
(Name of Representative)

to sign the foregoing Statement of Joint Venture as the

authorized representative of _____ for the special
(Name of Consultant)

purpose therein expressed.

ATTEST _____
(Corporate Secretary, (Seal necessary if Corporation) (if Corporation))

(C) _____ hereby certifies that
(Name of Consultant)

_____ has been and is hereby empowered
(Name of Representative)

to sign the foregoing Statement of Joint Venture as the

authorized representative of _____ for the special
(Name of Consultant)
purpose therein expressed.

ATTEST _____
(Corporate Secretary, (Seal necessary if Corporation) (if Corporation))

Attachment 4 - Consultant Selection Tracking Form

CONSULTANT SELECTION/AGREEMENT TRACKING FORM: STANDARD PROJECTS

Instructions: The Project Manager completes the scheduled completion dates upon finalizing the request. These calculations are based on the number of workdays from the third column. The responsible department/individual will complete the remaining information, including actual completion date, and place appropriate comments that impact the schedule.

Dept.	Activity Completed	# of Workdays (Goal)	Scheduled Completion Date	Actual Completion Date	Comments	Signature
Proj. Manager	Finalizes request					
Prof. Serv.	Solicits EOI	1				
Proj. Manager	All responses received	* 5-10				
Tech. Eval. Committee	Reviews and ranks all EOI's	10				
Director, Project Management A/C-CPM	Review and evaluate EOI - recommends shortlist	3				
Proj. Manager	Sends out RFP	1				
Proj. Manager	RFP's received	* 10-20				
Tech. Eval. Committee	Evaluates all RFP's	* 5-10				
Consult. Selec. Committee	Select a consultant	11				
Deputy Commissioner	Approves selection	2				
Proj. Manager	Completes negotiations	12				
Proj. Manager	Finalizes draft agreement	16				
Proj. Manager	Executes Final Agreement/ NTP	5				
TOTAL		90-110				

* as determined by the Project Manager

CONSULTANT SELECTION/AGREEMENT TRACKING FORM: SIMPLE PROJECTS

Instructions: The Project Manager completes the scheduled completion dates upon finalizing the request. These calculations are based on the number of workdays from the third column. The responsible department/individual will complete the remaining information, including actual completion date, and place appropriate comments that impact the schedule.

Dept.	Activity Completed	# of Workdays (Goal)	Scheduled Completion Date	Actual Completion Date	Comments	Signature
Proj. Manager	Finalizes request					
Prof. Serv.	Solicits EOI	1				
Proj. Manager	All responses received	5-10				
Proj. Manager	Completes, scores and ranks EOI's	10				
Consult. Selec. Committee	Recommends a consultant	1				
Deputy Commissioner	Approves the contract	2				
Proj. Manager	Receive technical and fee proposal	10-20				
Proj. Manager	Negotiating completed	10				
Proj. Manager	Finalize Draft Agreement	16				
Proj. Manager	Execute Final Agreement/ NTP	5				
TOTAL		70-85				

Attachment 5 - Expression of Interest Rating Guide

STANDARD RATING CRITERIA AND WEIGHTS

EXPRESSION OF INTEREST FOR DESIGN PROJECTS

DESIGN PROJECTS
EXPRESSION OF INTEREST
RATING FORM

CRITERIA		WEIGHT	POINTS*	TOTAL
1)	Project Manager	5	x	=
2)	Key Staff/Discipline Leaders including assignment of DBE work	4	x	=
3)	Project Understanding	4	x	=
4)	Past Performance (evaluated by checking references)	3	x	=
5)	Resource Availability	2	x	=
6)	Special Innovative Concepts or Benefits to Bring to the Project	2	x	=
7)	Location	1	x	=

GRAND TOTAL _____

*USE WHOLE NUMBERS ONLY AS INDICATED BELOW.

POINTS	High	=	5	Weighting -	Most Important	=	5
			4				4
			3				3
			2				2
	Low	=	1		Least Important	=	1

STANDARD INFORMATION TABLES
TO BE SUBMITTED WITH EXPRESSIONS OF INTEREST

PAST PERFORMANCE OF THE FIRM

List below a minimum of 3, maximum of 5 projects completed within the past 2 years that are similar to the proposed project.

PROJECT	TYPE	CLIENT	CLIENT CONTACT (Name and Phone #)	CONSULTANT'S Project Manager	DESIGN COST	CONSTRUCTION COST (include Utilities)

CURRENT PERFORMANCE OF THE PROJECT MANAGER

List below a minimum of 3, maximum of 5 current or recently completed projects that are similar to the proposed project.

PROJECT	TYPE	CLIENT	CLIENT CONTACT (Name and Phone #)	ROLE OF THE PROPOSED PM	DESIGN COST	ESTIMATED CONSTRUCTION COST

COMMITMENTS OF PROJECT MANAGER AND KEY STAFF

* Include information on key staff of prime and subconsultants as appropriate

Project	Client	Anticipated Commitments	
		Next 12 Months	Subsequent 12 Months
Project Manager:			
Project A	Client X	30%	10%
Project B	Client X	25%	40%
Project C	Client Y	15%	15%
Project D	Client Z	15%	20%
Non-Project Related Duties	Your Firm	15%	15%
Key Staff Person A			

Completed By: _____
(Consultant's Name)

Date Completed:

EOI RATING GUIDE

This document is intended as a guide and was developed for broad-based application to Expressions of Interest submitted for design projects. It is realized that project specifics may dictate the need to alter the guidelines. In such a case, the Project Manager should revise the guidelines prior to review of the EOIs and distribute the revised guidelines to all reviewers.

EOI RATING GUIDE

Evaluation Category: Project Manager

Instructions: Assign a '1' if criteria is met, a '0' if it is not. Sum the points to arrive at the score for the category. Criteria that rely on past performance will be evaluated by checking references. Contact will be made by the Department Project Manager and information shared with the other raters.

CRITERIA

SCORE (1 - yes 0 - no)

Served as Project Manager on similar projects (any agency)

Served as Project Manager on similar projects with NJDOT

Delivered past projects on time and on budget

Demonstrated communication and leadership skills on past or current projects.

Possesses relevant technical skills

TOTAL _____

EOI RATING GUIDE

Evaluation Category: Key Staff and Discipline Leaders, including assignment of DBE work

Instructions: Average rating for **all** categories governs

Rating	Experience in Specific Work	Technical Expertise	Team Approach DBE Assignment
5	4 or more active or completed similar projects in last 5 years at NJDOT for key personnel in all major disciplines.	All key staff with appropriate licenses and degrees in specific fields. Technical leadership and innovation evidenced.	Coordinated team approach proposed for project delivery. DBE assignment well integrated.
4	2 or 3 active or completed similar projects in last 5 years at NJDOT for key personnel in all major disciplines.	All key staff with appropriate licenses and keeps current in field. Average technical expertise in project disciplines.	DBE assignments addressed, but not coordinated in team approach.
3	1 active or completed similar project in last 5 years at NJDOT.	Minimal technical expertise as required by prequalification.	DBE assignments addressed, but disjointed without team approach.
2	Similar work for other agencies.	N/A	Anticipates but does not specifically assign DBE work.
1	No similar experience	N/A	DBE assignment not addressed.

EOI RATING GUIDE

Evaluation Category: Project Understanding

Instructions: Assign points as follows:

Rating	Description
5	Demonstrates thorough and comprehensive understanding of scope presented in request for EOI. Identifies potential problems and describes how they will be resolved. Comments on key components of this project, i.e. Permits, ROW, Landscape, Traffic Control, etc.
4	Demonstrates thorough understanding and expands on scope presented in request for EOI.
3	Demonstrates basic understanding of scope given in request for EOI.
2	Only brief reiterates scope. Project understanding cannot be determined by content of Expression of Interest.
1	The EOI is not project specific, providing no evidence of project understanding. Also , this rating would apply for Expressions of Interest that include assumptions which are clearly inappropriate for the project scope.

EOI RATING GUIDE

Evaluation Category: Past Performance

Instructions: For consistency, and in order to minimize the significant amount of telephone contacts involved in this section of the evaluation, the Project Manager shall prepare this “Past Performance” rating section.

The scores prepared by the Project Manager shall be applied across the board to all of the raters’ score sheets for this section.

The Project Manager shall score each consultant, based on the conversation with each reference, and average out the scores to provide an overall score for that consultant. For each interview, the consultant is to be scored according to their average score for schedule, quality, budget and guidance. For example, if the consultant required less than average guidance, acceptable quality plans, and met the schedule, but was less than acceptable with respect to budget (i.e., frequent minor overruns), then the consultant score for that particular interview would be 3 - “Acceptable”.

If a listed reference declines to provide a reference, do not count this in the scoring and proceed to the next listed reference. A minimum of three (3) references must be contacted.

Rating	Description
5	<i>Significantly Above Standard.</i> Documents prepared were of highest quality, delivered ahead of schedule, under budget, and with minimal guidance from agency project management.
4	<i>Above Standard.</i> Documents prepared were generally of high quality, delivered on or ahead of schedule, within or under budget, and with less than average guidance from agency project management.
3	<i>Acceptable.</i> Documents prepared were of acceptable quality, delivered on schedule, within budget, and with average guidance from agency project management.
2	<i>Acceptable with Reservations.</i> Documents prepared were of minimal quality, and exhibited failure to implement quality control at consultant; delivered late; and/or budgets exceeded, and with more than average guidance from agency project management.
1	<i>Marginally Acceptable.</i> Documents prepared were of poor quality, majority of documents delivered late, budget exceeded, and with guidance often required from agency project management.
0	<i>Unacceptable.</i> Poor performance by consultant resulted in removal from project due to failure to perform.

EOI RATING GUIDE

Evaluation Category: Resource Availability

Instructions: Based on the *Commitments of Project Manager and Key Staff* form required in the EOI, assign a score of 1, 3, or 5 to the proposed Project Manager and the Key Staff in accordance with the criteria below.

Then average the scores to provide a total *Resource Availability* rating.

Rating	Description
5	Commitment by consultant evidenced by proposed dedication of Project Manager and Key Staff commensurate with the project scope.
3	Relationship between project needs and minimum commitment of resources required for project delivery is insufficient for evaluation purposes. Rate all consultants 3.
1	Consultant is unwilling to commit Project Manager and Key Staff warranted by project scope.

EOI RATING GUIDE

Evaluation Category: Special Innovative Concepts or Benefits to Bring to the Project

Instructions: Based on the contents of each consultant's EOI, assign a score of 1, 3, or 5 to this evaluation category.

Rating	Description
5	Consultant offers special innovative concepts or benefits to bring to the project that have the potential for significant cost and schedule reductions.
3	Consultant offers special innovative concepts or benefits to bring to the project, however, the potential for significant cost and schedule reductions is uncertain.
1	Consultant offers no special innovative concepts or benefits to bring to the project.

EOI RATING GUIDE

Evaluation Category: Location

Instructions: The Project Manager is to determine based on project specifics if the location criteria are to be applied to the location of the consultant's office with respect to the Department's offices, the project site or both. Then the following will be used to assign points. Location criteria is only to be used if applicable to project delivery.

Rating	Description
5	Consultant's office is within 1-50 kilometers of the NJDOT office and/or their office is within that same amount of miles of the project site.
4	Consultant's office is within 51-100 kilometers of the NJDOT office and/or their office is within that same amount of miles of the project site.
3	Consultant's office is within 101-150 kilometers of the NJDOT office and/or their office is within that same amount of miles of the project site.
2	Consultant's office is within 151-250 kilometers of the NJDOT office and/or their office is within that same amount of miles of the project site.
1	Consultant's office is beyond 250 kilometers of the NJDOT office and, beyond 250 kilometers of the project location.

Attachment 6 - Technical Proposal Evaluation Form

Average Score by Criteria

			Consultant Score			
No.	Criteria	Weight	1	2	3	4
1	Understanding of Project Work	4	16.00	16.00	12.00	13.00
2	Innovative and Ingenuity Applied to Project	5	22.50	20.00	15.00	16.25
3	Team Organization, Project Management	3	12.00	12.00	9.00	9.75
4	Experience, General and Specific	3	13.50	13.50	10.50	11.25
5	Ability to Perform Work, Scheduling	3	12.00	12.00	9.75	11.25
6	Location of Office	1	4.00	3.75	3.75	2.75
7	Support of DBE Goals	1	3.75	3.25	3.75	3.75
	TOTAL		83.75	80.50	63.75	68.00

Points: 5 = Outstanding

4 = Excellent

3 = Good

2 = Fair

1 = Poor

Individual Category Score = Weight x Points

Maximum Possible Score = 100

19.3 Consultant Agreement

Upon completion of the qualifications-based selection process described in Section 19.2, the Project Manager will continue the process until such time as the Consultant Agreement is fully executed and a "Notice to Proceed" is issued.

Primary tasks described in this section are to be conducted concurrently where indicated. The Project Manager's Agreement Coordinator is to continue tracking and monitoring the remaining agreement activities utilizing the tracking form included in Attachment 5.

19.3.1 Agreement Types

The Project Manager shall determine the type of Agreement which best suits the project. A preliminary determination of Agreement type should have been included in the Request for Professional Services described in Section 19.2.3. The Agreement type described below is provided to "short listed" consultants in the solicitation package notification for Standard Projects in accordance with Section 19.2.8, and to the selected consultant for simple projects at the Scope of Work meeting described in Section 19.3.2.

One of the following three (3) Agreement types shall be selected:

1. Cost Plus Agreement

- Definition

The Cost Plus Agreement is a form of agreement which reimburses the Consultant for his costs (salary, overhead, direct expenses), in addition to a predetermined amount as a Net Fee.

- Reason for Selection

The Agreement is required when the State cannot precisely define at the time of negotiations the extent, scope, complexity, character or duration of the study, or cannot justify by the review of the proposal the Consultant's ability to do so.

- Agreement Terms

The State will reimburse the Consultant for the following:

- (a) Salary Costs
- (b) Overhead
- (c) Direct Expenses
- (d) A Net Fee (profit)

Ceilings will be established for (a), (b), and (c) above.

The Fee, Item (d), is a fixed amount and does not vary with costs. However, the Fee can be adjusted if an increase in the Scope of Work is warranted.

The Consultant's proposal should include a detailed breakdown of items (a), (b), and (c) above.

When there has been a change in the scope, complexity, duration, etc. of the services to be performed, or additional work is requested, the State will execute a Contract Modification to compensate the Consultant for his work.

2. Fixed Price Agreement (Lump Sum)

- Definition

The Fixed Price Agreement is a direct development from the Cost Plus Agreement. It reimburses the Consultant for his/her costs (salary, overhead, direct expenses), and a Net Fee, payable as a Fixed Price (No Cost Adjustments) over the life of the Agreement.

- Reason for Selection

The Agreement is workable only if the State can precisely define at the time of negotiations the extent, scope complexity, character and duration of study and the Consultant can justify a proposal of the same.

- Agreement Terms

The State will pay the Consultant a Fixed Price amount adjusted over the project estimated life of the Agreement based on the following:

- (a) Salary Costs
- (b) Overhead
- (c) Direct Expenses
- (d) A Net Fee (profit)

All of the above are compiled based on estimated duration of the services.

The Consultant's proposal should include a detailed breakdown of items (a), (b), and (c) above. The Consultant assumes full responsibility for all cost over the Fixed Price.

Under the terms of a Fixed Price Agreement, Contract Modifications are executed only for Extra Work as specified by the State. Extra Work is work outside the scope or services stated in the Agreement.

3. Salary Cost Times a Multiplier, Plus Direct Non-Salary Expense Agreement

This agreement combines some of the advantages and disadvantages of both the Cost Plus and Fixed Price Agreements. **This type of agreement is not eligible for Federal participation.**

- (a) Under this Agreement the Profit and Overhead (the Multiplier) are fixed for the

life of the Agreement.

- (b) If the Agreement is Modified for Extra or Additional Work tasks, no matter how difficult or how simplified the new task is, the Multiplier is not increased or decreased, it is fixed for the life of the Agreement.
- (c) If the firm becomes more efficient or inefficient in controlling administrative costs, the Overhead remains unchanged, it is fixed for the life of the Agreement.
- (d) Thus the Multiplier, determined at the outset, remains fixed for all work and services.

A comparison of Cost Plus Agreements with Fixed Price (Lump Sum) Agreements is provided below:

Agreement Criteria	Fixed Price (Lump Sum)	Cost Plus
Degree of risk for the actual cost of performance	The Department will only pay the agreed upon price when the work is completed regardless of the actual cost. If the actual cost is greater than the Agreement price, the Consultant bears the entire loss. If the actual cost is less than the price, the Consultant has a larger profit.	The Department reimburses the Consultant for all allowable costs incurred during the performance of the Agreement.
Project Scope	The extent, scope, complexity, character and duration of the project must be well defined	Should be used when the extent, scope, complexity, duration or character cannot be fully determined.
Project Price	Negotiated; but greater burden placed on price negotiation since price not subject to adjustment.	Negotiated; but considered an estimate subject to adjustment based on actual cost.
Cost Allowability Criteria	Federal cost principles and Department policies and regulations.	Federal cost principles and Department policies and regulations.
Cost Basis Approval Required	Yes	Yes
Payment Methodology	Percentage of completion applied to fixed price.	Reimbursement of actual costs incurred.
Record Keeping/Audit Requirements	The Consultant must maintain detailed accounting records that comply with Federal and Department regulations.	The Consultant must maintain detailed accounting records that comply with Federal and Department regulations. Interim and final audits will be completed to determine actual allowable costs.
Allowable Costs	Negotiated price must be based on actual allowable costs as defined by the Federal cost principles and Department policies. Costs that would not be paid on a cost plus	Costs will be defined by the Federal cost principles and Department policies.

	agreement cannot be included in the fixed price Agreement.	
Out of Pocket Expenses	Can be included in the fixed price amount or paid on an actual cost basis in addition to the fixed price amount. In either case, direct expenses must be based on actual allowable costs.	Reimbursement for allowable costs.

19.3.2 Pre-Proposal Meeting

The Project Manager is to conduct a Pre-Proposal meeting for all Simple Projects as specified in the selected consultant's notification.

The Project Manager, by this time, should have completed the detailed scope of work and independent cost estimate for the Consultant's services. The Project Manager's Agreement Coordinator should have obtained the specific "Model Agreement" from Professional Services, and should have obtained cost information (allowable direct expenses, interim overhead rate, etc.) from Auditing.

The Project Manager shall conduct the meeting with the Consultant to review the scope of work and the various items pertaining to contract administration, and request that a Technical/Fee Proposal be submitted within 10 working days of that meeting. The Bureau of Contract Administration Services should be represented by the Agreement Coordinator.

The items to be discussed are as follows:

- Scope of work (review thoroughly with the Consultant and resolve any questions or issues).
- All proposals are to be prepared in accordance with the Project Delivery Process Network logic, activities, and procedures described in this Manual. A standard scope of services broken down by activity will be provided by the Project Manager.
- The agreement (review the conditions of the specified type of agreement which best fits the type of project to be undertaken [Cost Plus Fixed Price, Cost Times a Multiplier]).
- Provide the firm's allowable direct expenses and the firm's interim overhead rate (this information is obtained from the Bureau of Auditing).
- Inform the consultant to use only Department approved titles and wage rates, and the rates must be for the most recent quarter.

19.3.3 Technical and Fee Proposal Evaluation

The Project Manager shall initiate the evaluation of Technical and Fee Proposals as follows:

- For Standard Projects, immediately upon approval of the selection by the Deputy Commissioner.

- For Simple Projects, immediately upon receipt of the Technical/Fee Proposal from the selected Consultant (within 10 working days of Pre-Proposal meeting).

In order to successfully negotiate a final proposal which meets the Department's goals for cost, quality, and schedule, the Project Manager must have performed a detailed review of Technical and Fee Proposals. The Project Manager's Agreement Coordinator is responsible for soliciting and compiling all review comments. The following activities must be conducted concurrently so that the evaluation will be completed within 10 working days:

1. Task Evaluation - The proposal is to be evaluated to ensure that all tasks necessary for project delivery are included in the scope of services to be provided. Tasks which may be unnecessary, or which may be performed more efficiently by in-house staff, are to be eliminated. The following sources should be consulted when performing the task evaluation:
 - Detailed Scope of Work developed by the Project Manager and provided to the Consultant for the development of the Technical/Fee Proposal.
 - Scope Development Package.
 - Quality Control Guidelines for Designers, Section 6.1, specifically those Design Submission guidelines applicable to the project.
 - The Design Coordinator assigned to the project, as well as other in-house functional units such as the Bureau of Structural Engineering, to provide technical assistance.
2. Schedule Evaluation - The Consultant's Design Schedule should be evaluated against the project's Baseline Design Schedule to ensure project delivery in accordance with Department goals. The Baseline Design Schedule is developed by the Project Manager towards the conclusion of Final Scope Development and must be completed prior to receipt of the Consultant's Technical Proposal.
3. Cost Evaluation - The Consultant's Fee Proposal is to be evaluated for total cost, detailed cost analysis, and cost accounting principles approved by the Bureau of Auditing.

The Consultant's total proposed cost is to be evaluated for conformance to:

- The Project Manager's independent cost estimate initially developed by the Bureau of Program Support Services, Cost Control Unit for budget development.
- The project's Initial Baseline Budget, previously recommended for approval by the Project Manager.
- The Department's Soft Cost Target goal.

A detailed cost analysis must then be performed by the Project Manager's Agreement Coordinator comparing the costs associated with each task by evaluating man-hour

estimates, wage rates, and direct expenses. The proposed overhead rate is to be noted for negotiation purposes. The basis for this cost analysis will be the detailed independent cost estimate previously prepared for the Project Manager by the Bureau of Program Support Services in accordance with Section 3.4. The Consultant's Proposed Fixed Fee is compared with the Department's Calculated Fixed Fee in accordance with Attachment 7.

The Bureau of Auditing will evaluate the cost proposal and produce an Advisory Report approving wage rates, interim overhead, and direct expenses.

19.3.4 Final Proposal Negotiation

The most important factor in successful negotiations is preparation by the Project Manager. A detailed evaluation of the Technical and Fee Proposal will identify:

- misunderstandings concerning tasks to be performed.
- variations in estimates of man-hour effort required to complete agreed upon tasks.
- alternate staffing and associated wage rates proposed.
- additional overhead costs associated with the particular firm.
- excessive Fixed Fee requested.
- excessive design schedule duration.

Negotiation tactics will vary based on the agreement type and any divergence identified in the proposal evaluation, however, all negotiations must be documented by the Project Manager. Therefore, the following steps shall be taken:

1. Upon completion of the Technical and Fee Proposal evaluation described in Section 19.3.3, the Project Manager's Agreement Coordinator is to prepare a summary of the evaluation, which may reference a marked-up proposal for substantial detailed comments.
2. Minor Proposal comments may be transmitted to the Consultant via facsimile or other appropriate means, with the Consultant to make revisions and submit a Final Proposal (5 copies) immediately upon receipt.
3. Proposal comments requiring negotiation are to be submitted in writing to the Consultant in advance of the one day negotiating session which was previously scheduled for the conclusion of the proposal review period. Inform the Consultant that the Department's preference is for negotiations to be completed that same day.

4. Conduct the negotiating session by first reaching agreement on the specific tasks to be performed by the Consultant. The design schedule should concurrently be discussed if required. Cost negotiations cannot be successful where disagreement over tasks exists.
5. Tactics for cost negotiations should be developed based on the agreement type and the results of the cost evaluation performed in accordance with Section 19.3.3. Successful cost negotiations will be based on the final contract ceiling regardless of methods employed by the Project Manager.

In the past, for Cost Plus Agreements, negotiations with Consultants were primarily focused on estimated man-hours assigned to each task, and the distribution of those man-hours across appropriate staff levels. Upon completion of man-hour negotiations, the Consultant would assign wage rates assumed to be in effect at the design mid-point. In this way, direct labor costs were negotiated, a maximum overhead rate was applied, and lastly, fixed fees were negotiated using existing Department guidelines. This approach may be effective based on the results of the detailed cost evaluation.

Providing the Consultant with contract flexibility by eliminating wage rate and overhead caps, and by abolishing the 10% senior staff limit will require negotiation based on a reasonable contract ceiling. This ceiling will be estimated based on the Department's man-hour estimate, using average wage, overhead, and fixed fee rates representative of the project discipline. For negotiation purposes, this ceiling must be broken down by task. If a Consultant wishes to dispute the overall or specific task ceiling, a discussion of man-hours will be required. In this case, the Department and Consultant may be using significantly different wage rates and staff distribution. The problem may be simply that the Consultant's interim overhead rate is far beyond that used by the Department in calculating a reasonable cost ceiling. In either case, both parties must find common ground upon which to build successful negotiations. Since protracted negotiations will not be tolerated, the burden will be far greater on Consultants to provide justification for such variations.

6. Upon completion of successful negotiations, the Project Manager is to direct the Consultant to submit a Final Proposal within 5 working days. Concurrently, the Project Manager is to prepare the Final Baseline Budget and Schedule for approval.
7. If successful negotiations cannot be completed within the one day session, or if significant progress has not been made, negotiations are to be concluded. The Project Manager is to document failed negotiations, preparing a recommendation to rescind the original selection and proceed to the next highest ranked firm on the selection list established at the Consultant Selection Committee meeting.

19.3.5 Agreement Preparation

Prior to the conclusion of proposal evaluation, the Project Manager's Agreement Coordinator should have requested and received a copy of the "Model Agreement", for the agreement type selected, on disk from the Bureau of Professional Services.

Upon receipt of the Final Proposal, the Agreement Coordinator will prepare and distribute the draft agreement as follows:

1. The Agreement Coordinator, utilizing the Audit Report and the final negotiated Consultant cost, enters the costs (salaries, overhead, direct expenses, profit), the interim overhead rate, Subconsultants' costs and the total agreement amount, in the proper areas of the agreement (Cost Plus Fixed Fee). The overall list of direct expenses is included in the Cost Plus Fixed Fee and Multiplier Agreements. If the agreement is Fixed Price, enter the Prime Consultant's and subconsultants' Fixed Price amounts, and total Fixed Price amount for the agreement. If it is a Multiplier Agreement, enter the multiplier, salaries, and direct expense amounts for both the Prime Consultant and any Subconsultants, and enter the total agreement amount.

The Agreement Coordinator enters the Consultant's name and address and describes the project, both on the first page of the agreement.

The Agreement Coordinator references the proposal under the agreement's "Statement of Consultant's Work and Services".

The Agreement Coordinator identifies the Department's Project Manager and the Consultant's contact person for work under the agreement, and lists the firm's name on the signature page.

2. If there are no changes to the agreement's standard language, forward the agreement to the Bureau of Contract Administration Services for Deputy Attorney General review. Any proposed changes to the standard language are to be avoided, but if necessary should have been resolved with the BCAS and the Deputy Attorney General prior to submittal of the Consultant's Final Proposal.

Forward the Consultant's Final Proposal and Draft Agreement utilizing final proposal costs, to the Bureau of Auditing for review and comment.

Forward Draft Agreement to the Consultant for review and comment.

3. The following steps are concurrent:
 - Consultant reviews Draft Agreement and forwards comments to the Project Manager.
 - The Bureau of Contract Administration Services reviews the Draft Agreement.
 - The Bureau of Auditing reviews the Final Proposal and Draft Agreement and forwards comments to the Project Manager.
 - The Deputy Attorney General reviews the checklist and the Draft Agreement.
4. Following the Audit review and comments, prepare the funding request to the Bureau of Capital Program Coordination for use of 100% State funds for the project, or for Federal authorization of funds, if Federal funds are involved. If Federally funded, also

include the state force cost estimate for the various units that will be working on the project. This cost estimate shall be developed with input from the Cost Control Unit of the Bureau of Program Support Services as per Section 3.4.

5. The funding process for new design work continues after selection and negotiation with the submission of a Project Programming Request to the Bureau of Capital Program Coordination which includes the following:
 - Transmittal Memorandum
 - Description of the Scope of Work
 - Project Location Map
 - Consultant Cost Estimate
 - In-house Cost Estimate
 - Copy of Final Baseline Budget Approval
 - Project ID and Summary form for Federal Authorization Request
 - Job Number Request form

A sample of the above package is included in Attachment 8 for reference. For projects involving federal funds, a copy of the above shall be sent to the Federal Aid Coordinator.

6. FHWA reviews the request for Federal authorization of funds and responds to the Bureau of Capital Program Coordination with copy to the Project Manager. The Bureau of Capital Program Coordination prepares and processes the Federal Project Agreement (PR-2). This is an independent task not part of the process.

The Agreement Coordinator incorporates appropriate comments and forwards the Final Agreement to the Consultant for signature.

19.3.6 Execution of Agreement

1. The Consultant signs and returns the Final Agreement to the Project Manager.
2. The Project Manager's Agreement Coordinator forwards the Final Agreement and checklist to the Deputy Attorney General for signature.

Note: For projects which a Department Certification has been established with the DAG's office, send Agreement, AD-12 and checklist to the Bureau of Capital Program Coordination. For all other projects, forward checklist and Final Agreement to DAG for signature, then send Agreement, AD-12 and Checklist to Bureau of Capital Program Coordination. Send a copy of the Agreement Checklist to the DAG's office for their file.

3. The Agreement Coordinator should have already prepared, and be ready to submit the Agreement package (AD-37 Referral Form, AD-12 Department Action Slip, Agreement, and signed Agreement checklist) to the following for signature/approval:
 - Program Manager, signs AD-12.
 - Bureau of Contract Administration Services reviews the Agreement package.

- Bureau of Capital Program Coordination, verifies funding and attaches Federal Aid Project Agreement Form PR-2 for Accounting's use.
 - Bureau of Agreement Accounting, Capital Accounting Section, certifies the Funds on AD-12 and establishes the account.
 - Director, Division of Project Management signs AD-12.
 - Assistant Commissioner, signs AD-12 and signs the Agreement.
 - Department Secretary, executes Agreement package.
4. Bureau of Capital Program Coordination - processes agreement package (Consultant Agreement, Federal Project Agreement and AD-12) and forwards to the Bureau of Agreement Accounting.
 5. Bureau of Agreement Accounting - processes agreement package and forwards to appropriate Assistant Commissioner.
 6. Assistant Commissioner - sign agreement and forwards to Department Secretary.
 7. Department Secretary - executes agreement package.
 8. Bureau of Contract Administration Services - issues Notice to Proceed to the Consultant with a copy to the Project Manager.
 9. The Bureau of Contract Administration Services distributes the Agreement to:
 - Bureau of Agreement Accounting (original).
 - Bureau of Capital Program Coordination (Federal Projects only).
 - Federal Highway Administration for full oversight projects. For projects developed using Alternate Procedures, a copy will be transmitted to FHWA upon request.
 - Bureau of Professional Services.
 - The Consultant.
 - Project Manager.
 - Bureau of Program Support Services (copy of AD-12 only)
 10. The Project Manager notifies the Consultant of the "Project Kick-off Meeting".

Attachment 7 - Fixed Fee Procedure

PROCEDURE FOR CALCULATING FIXED FEE

The following procedure is to be used to calculate a fixed fee to be used as the basis for negotiations.

Fixed fees are firm, no-risk, dollar amounts established to cover the consultant's profit and business expenses not allocable to overhead. Fixed fees are negotiated on facts pertinent to the specific project, including: size, complexity, duration and degree of risk. Fixed fees are not solely based on a percent of salaries plus overhead. The expression of fee as a percent of consultant costs is only used as a test of the prudence of the fee proposal. The fixed fee is negotiated separate from other costs.

EVALUATE PROJECT SPECIFICS

1. Size

- a. Small - Project having a total estimated fee of \$500,000 or less.
- b. Large - Projects having a total estimated fee of more than \$500,000.

2. Complexity

- a. Simple - Projects having limited scopes of work such as resurfacing, bridge deck patching, restoration, and construction inspection.
- b. Standard - Projects of moderate scope such as rehabilitation, new or reconstruction.
- c. Complex - Multi-disciplined, highly specialized projects such as major/ unusual.

3. Duration

- a. Standard - Projects with a schedule considered appropriate for project size and complexity. The standard schedule shall be developed by the Project Manager prior to Consultant Selection in accordance with the NJDOT Procedures Manual.
- b. Aggressive - Projects where the Designer has proposed a design schedule reduced by more than 10% of the standard schedule developed by the Project Manager.

4. Degree of Risk

- a. Level 1 - Contracts with low risk of claims or lawsuits. Contracts which typically would fall in this category include studies, surveys, systems management, landscape, inspections, etc.
- b. Level 2 - Contracts with average risk of claims or lawsuits. Contracts which

typically fall in this category include most designs of standard complexity and duration. The risk of claims or lawsuits may increase with public exposure. For example, a small resurfacing project with a Level 1 schedule could be classified as a Level 2 degree of risk if the roadway has a high truck percentage, is heavily traveled, and if a complex maintenance of traffic plan or night work may be required.

- c. Level 3 - Contracts with high risk of claims or lawsuits. Contracts which fall in this category include those involving hazardous materials, experimental designs or bonus/ penalty clauses. Factors affecting Level 1 and 2 categories also affect Level 3.

RATING PROJECT SPECIFICS

1. **Size**

- a. Small - 15
- b. Large - 20

2. **Complexity**

- a. Simple - 10
- b. Standard - 15
- c. Complex - 20

3. **Duration**

- a. Standard - 15
- b. Aggressive - 20

4. **Degree of Risk**

- a. Level 1 - 20
- b. Level 2 - 30
- c. Level 3 - 40

FIXED FEE DETERMINATION PROCEDURE

- 1. Add the rating points assigned to each criteria and divide by 100 (maximum points available) to determine the project specifics factor.
- 2. Multiply the project specifics factor times 0.30 to determine the fee factor.
- 3. Multiply the fee factor times the estimated direct labor costs to obtain the total fee.

4. Negotiate based on the above figure.
5. Upon completion of successful negotiations, verify that the final Fixed Fee falls within the allowable Federal Acquisition Regulations range of 6 to 15 percent. This verification must use the Consultant's actual interim overhead rate as approved by the Bureau of Auditing.

EXAMPLES

1. A highway design project with typical project specific ratings would include small size, standard complexity and duration with average risk of claims. The estimated consultant direct labor is \$200,000. The consultant's approved interim overhead rate of 120%.

Add rating points: $15+15+15+30 = 75$

Project specifics factor: $75/100 = 0.75$

Fee factor: $0.75 \times 0.30 = 0.225$

Total fee: $0.225 \times \$200,000 = \$45,000$

Assume negotiations result in a final Fixed Fee of \$45,000.

Therefore,

\$200,000	Direct Labor
\$240,000	Overhead
<u>\$ 45,000</u>	<u>Fixed Fee</u>
\$485,000	Total plus Direct Expenses

Verify Fixed Fee range: $\$45,000 \text{ divided by } \$440,000 \times 100\% = 10.2\%$

2. A highway design project with minimum project specific ratings. The estimated consultant direct labor is \$100,000. The consultant's approved interim overhead rate is 120%.

Add rating points: $15+10+15+20 = 60$

Project specifics factor: $60/100 = 0.60$

Fee factor: $0.60 \times 0.30 = 0.180$

Total fee: $0.180 \times \$100,000 = \$18,000$

Assume negotiations result in a final Fixed Fee of \$18,000.

Therefore,

\$100,000	Direct Labor
\$120,000	Overhead
<u>\$ 18,000</u>	<u>Fixed Fee</u>
\$238,000	Total plus Direct Expenses

Verify Fixed Fee range: $\$18,000 \text{ divided by } \$220,000 \times 100\% = 8.2\%$

3. Assume complex project with maximum project specific ratings. The estimated consultant direct labor is \$500,000. The consultant's approved interim overhead rate is 140%.

Add rating points: $20+20+20+40 = 100$

Project specifics factor: $100/100 = 1.00$

Fee factor: $1.00 \times 0.30 = 0.30$

Total fee: $0.30 \times \$500,000 = \$150,000$

Assume negotiations result in a final Fixed Fee of \$150,000.

Therefore,

\$500,000	Direct Labor
\$700,000	Overhead
<u>\$150,000</u>	<u>Fixed Fee</u>

\$1,350,000 Total plus Direct Expenses

Verify Fixed Fee range: $\$150,000 \text{ divided by } \$1,200,000 \times 100\% = 12.5\%$

4. Assume the above consultant's approved interim overhead rate is 110%. Total fee calculation would remain unchanged.

Therefore,

\$500,000	Direct Labor
\$550,000	Overhead
<u>\$150,000</u>	<u>Fixed Fee</u>

\$1,200,000 Total plus Direct Expenses

Verify Fixed Fee range: $\$150,000 \text{ divided by } \$1,050,000 \times 100\% = 14.3\%$

Attachment 8 - Project Funding Request

NEW JERSEY DEPARTMENT OF TRANSPORTATION

MEMORANDUM

TO: *Manager, Bureau of Capital Program Coordination*

FROM: *Project Manager*
Division of Project Management

DATE:

PHONE:

SUBJECT: *NJ 139 Sec (1) Contracts #1, #2, #3*
Project Funding Request

Attached is a Project Identification Summary form, location map, new T-AC 1643 (Job Number Request), the consultant's cost proposal dated _____, and State Force Account man-hour estimates pertaining to the above captioned project.

The first project will be for the concrete encasement removal on the 12th Street, 14th Street, and Conrail Viaducts. We are requesting Federal authorization for \$694,418.00 of which \$555,534.40 is FF which will allow the Department to retain a consultant to perform design services for the NJ 139 Sec (1) Contract #1 project. This figure includes \$50,000.00 for in-house NJDOT staff to make the necessary certifications and reviews.

The second project will be for the deck replacement, seismic retrofitting, and superstructure replacement on the 12th Street and 14th Street Viaducts. We are requesting Federal authorization for \$1,480,993.00 of which \$1,184,794.40 is FF which will allow the Department to retain a consultant to perform design services for the NJ 139 Sec (1) Contract #2 project. This figure includes \$111,000.00 for in-house NJDOT staff to make the necessary certifications and reviews.

The third project will be for the design build phase on the Hoboken Avenue and Conrail Viaducts. We are requesting Federal authorization for \$1,700,992.00 of which \$1,360,793.60 is FF which will allow the Department to retain a consultant to perform design services for the NJ 139 Sec (1) Contract #3 project. This figure includes \$50,000.00 for in-house NJDOT staff to make the necessary certifications and reviews.

Attachments

c: R. Stout

PROJECT PROGRAMMING FORMS

PROJECT IDENTIFICATION AND SUMMARY **REQUEST FOR FEDERAL AID PROJECT APPROVAL/AUTHORIZATION**

To: Federal Aid Coordination Section

Date:

From: Initiating Unit Division of Project Management
Project Manager

Phone:

Note: This form shall be completed fully. Line items which are not applicable should be marked "NA". A "Location Map" shall be provided with project limits designated.

Project Limits: (provide full description including municipality(s) and county(s):

Route(s): NJ 139

Section(s): Contract #2

City of Jersey City

County of Hudson

Mileposts: 0.3 to 1.5 Project Length: 1.2 miles (1.9 km)
Highway Type: FP Structure Nos.: 0904-153,154

Work Effort: P.E. up to completed Env. Doc. ☒; Environmental Work ☐; Final Design ☐;
Right of Way ☐; Utilities ☐; Other ☐. (Check One)

Requested Phase of Work (Detailed Description):

Prepare preliminary design phase of this project. The remaining design will be accomplished as a CCM to the proposed contract.

Federal Aid Data: (complete if known)

Metro. Planning Org. NENJ

Ref. No. 053A

Class of Funds: Bridge

Alternate Procedures ☒ Full Oversight ☐

Environmental Documentation: (check one)

☐ C.E.# ☐ E.A. ☐ FONSI ☐ E.I.S. (Year _____ No. _____)

☐ EO #215 ☒ To Be Determined

Date of Federal Concurrence:

GENERAL PROJECT SCOPE

Note: If an Environmental Document has been approved, attach in place of completing the following impacts check off.

Anticipated	Yes	No	Anticipated Impacts	Yes	No
Design Exception	{X}	{ }	Public Support	{X}	{ }
Increase in Number of Traffic Lanes	{ }	{X}	Local Government Support	{X}	{ }
Right of Way	{X}	{ }	Wetland Involvement	{ }	{X}
New Alignment	{ }	{X}	Floodplains	{ }	{X}
Realignment	{ }	{X}	Stream Encroachment	{ }	{X}
Detour(s)	{X}	{ }	Riparian	{ }	{X}
Structure Repairs	{X}	{ }	Parkland (Section 4f)	{ }	{X}
Rehabilitation	{X}	{ }	US Coast Guard	{ }	{X}
Replacement	{X}	{ }			
New	{ }	{X}			
Utility Relocation(s)	{X}	{ }	US Corps of Engineers	{ }	{X}
RR Crossing	{X}	{ }	CAFRA	{ }	{X}
Traffic Signal(s)	{X}	{ }	Displacements	{ }	{X}
			Residential		
			Business	{ }	{X}
Sign Structure(s)	{X}	{ }	Farm Land	{ }	{X}
Highway Lighting	{X}	{ }	Archaeology (Sect. 106)	{ }	{X}
Driveway(s)	{ }	{X}	Noise	{ }	{X}
Bicycle Compatible	{ }	{X}	Hazardous Material(s)	{ }	{X}
Jurisdictional Agreements	{X}	{ }	NP Federal Costs	{ }	{X}

FUNDING SUMMARY

- List Applicable Costs -

Consultant(1)	\$1,369,993.00
State Forces(2)	\$ 111,000.00
Total Cost	\$1,480,993.00
Federal Share	\$1,184,794.40
State Cost	\$ 296,198.60
Other Costs... \$	
	\$
Non participating	\$

Notes:

- (1) Provide Consultant Proposal/Scope of Work
- (2) Provide State Forces Breakout by unit and scope as prepared by the Bureau of Program Support Services

PROJECT SCOPE DEFINED

Include a detailed description of the proposed project, the project justification, anticipated Right-Of-Way needs and other pertinent data that would best describe the project scope (attach additional sheets if necessary):

Contract number 2 will be for the deck replacement, seismic retrofitting, and superstructure rehabilitation for the 12th Street and 14th Street viaducts.

Note: Request for Right-Of-Way and PS&E Approval shall be accompanied with a current (date within three months) Environmental Reevaluation.

Figure

Form T-AC-1643

19.4 Task Order Agreement Process/Procedure

The responsibilities of the Bureau of Contract Administration Services (BCAS) are as follows:

- Preparing and processing new agreements and contract modifications for additional funds.
- Retaining an inventory of all agreements and modifications to the agreements.
- Retaining an inventory of all task orders against the agreements.
- Determining which agreement(s) will be used to provide for the individual task order requests by the Project Managers.
- Tracking the balances against the agreements (obligated funds through executed task orders, not the unbilled costs within task orders).
- Coordinating with the Program Managers and other managers within Capital Program Management at the end of the calendar year to determine funding needs for the next fiscal year or when the cost threshold of executed task orders approaches 80% of the agreement total.
- Preparing the request to the Director, Capital Program Control and Support Services, to have funding included in the Annual Capital Construction Program or for additional funds from the existing Capital Program for the various task order agreements.
- Acting as a member of the Technical Evaluation Committee for all task order agreements.

The Project Manager will be responsible for:

- Approving all requests for task orders.
- Executing task order notices to proceed.
- Providing input into new task order agreements requirements for the next fiscal year or additional funding required within the existing fiscal year.
- Reviewing and approving all proposals.
- Reviewing and approving all invoices and resolving any accounting problems that occur from invoicing.
- Ensuring that task order ceilings are not exceeded.
- Providing information to BCAS as requested to complete monthly or special reports.
- Acting as member of the Technical Evaluation Committee for Task Order Agreements

(the third member of TEC will be either from the Bureau of Environmental Services, Bureau of Scope Development, or Design Services, as appropriate for scope of work).

PROCEDURE FOR TASK ORDER SERVICES

1. Project Manager submits memorandum to BCAS requesting services, including the estimated cost, description, and time frame for the work and justification, if a specific consultant is requested. Other Bureaus may initiate requests for services, which must be approved by the respective Project Manager.
2. BCAS will determine if an existing agreement is available to provide these services and notify the Project Manager which agreement to use, or if none is available.
3. Project Manager requests Consultant to submit proposal within 5 working days.
4. Project Manager reviews proposal and negotiates final ceiling.
5. If final ceiling is within original request, the Project Manager will execute the Task Order with the Consultant utilizing the Task Order Form and Transmittal Sheet (Attachment 9), with copy to BCAS. If the final negotiated ceiling exceeds the original estimate, the Project Manager will contact BCAS to increase the estimated ceiling or renegotiate with the Consultant to reduce services.
6. Project Manager monitors Consultant performance, reviews and approves invoices, and copies BCAS to allow tracking of costs and performance.
7. Project Manager advises BCAS when the task order services are completed and the actual amount invoiced.

Attachment 9 - Task Order Form and Transmittal Sheet

TRANSMITTAL SHEET

To: _____

_____ FILE

From: _____
Project Manager

**EXECUTED TASK ORDER
CCM AGREEMENT**

PROJECT: _____
DISCIPLINE: _____
AGREEMENT NUMBER: _____
JOB NUMBER: _____
TASK ORDER NUMBER: _____
CONSULTANT: _____

COMMENTS

NEW JERSEY DEPARTMENT OF TRANSPORTATION
BUREAU OF CONTRACT ADMINISTRATION SERVICES

TASK ORDER AGREEMENT
TASK ORDER

REGION: _____ TASK ORDER NO.: _____ SALARY COST: _____

WORK AUTHORIZATION DATE: _____ OVERHEAD: _____

CONSULTANT: _____ PROFIT: _____

AGREEMENT DATE: _____ DIR. EXPENSES: _____

AGREEMENT NO.: _____ TOTAL COST: _____

AGREEMENT BALANCE: _____

JOB NO.: _____ PROJECT NO.: _____ NOS.: _____ THRU: _____

SCOPE OF SERVICES:

APPROVED: _____
Project Manager Date

Program Manager Date
Division of Project Management

ACCEPTED AS PER TERMS OF SCOPE OF WORK AND PROPOSAL:

Consultant Date

c: Consultant
Accounting w/Proposal
Contract Administration Services
Professional Services

19.5 Construction Engineering and Inspection Services

Professional services required for Construction Engineering and Inspection are to be directed through the Project Manager, as recommended by the Regional Construction Engineer, and coordinated by the Bureau of Contract Administration Services.

In accordance with Section 4.3, during the Final Design Submission review, the Regional Construction Engineer will prepare a recommended Scope and Budget for Construction Engineering and Inspection Services. The Regional Construction Engineer shall recommend if the services shall be provided by Department staff, consultant(s), or a combination of both.

The Project Manager will review and approve the final CE Budget. If consultant services are required, the Project Manager will proceed with the Selection and Agreement Processes described in Sections 19.2 and 19.3, respectively, with the following modifications:

1. All Consultant Construction Engineering and Inspection Services Agreements are classified as "Simple Project", even if the total cost ceiling exceeds \$500,000. Fixed Price Agreements are discouraged unless the scope, extent, and duration of services provided can be fully defined.
2. Upon receipt of the Scope of Work for CE Services from the Regional Construction Engineer, and approval of the Final CE Budget by the Project Manager, the Project Manager's Agreement Coordinator is to initiate the request for professional services in accordance with Section 19.2.3. For Federally funded projects, a separate funding request is not required for CE services, if the Federal authorization to advertise for construction includes adequate CE services funding.
3. The Project Manager and a minimum of two (2) others, including the Regional Construction Engineer, will review the Expressions of Interest and provide the combined ratings and their recommendations for selection to the Consultant Selection Committee.
4. The Project Manager and Regional Construction Engineer, along with Auditing, will review the Proposal. The Project Manager, after consultation with the Regional Construction Engineer, has final approval for the scope and budget.
5. The Resident Engineer and/or Field Manager will review each invoice for hours worked, etc., by the Consultant, sign Form AC-1641, and forward both to the Project Manager for approval and processing of the invoice.

In addition, if it is determined by the Project Manager that Construction Services are required by the design consultant, the Project Manager shall modify the designer's contract in accordance with Section 19.6.

19.6 Consultant Agreement Modifications

Changes to the design consultant's contract are considered to be a Scope Change and must be evaluated in accordance with Section 4.7, Change Requests. A proposed Scope Change must be evaluated for all associated impacts to the project's budget and schedule. A change to the consultant's agreement under the \$100,000 threshold may result in additional Right of Way or Construction costs which would require approval of the Change Control Board.

Changes to the Consultant Agreement under \$100,000 where Change Control Board approval is not required:

1. The Project Manager obtains approval to initiate the Consultant Agreement Modification in accordance with Section 19.1.1. Determine if the change is **Extra Work** (entitled to Fixed Fee) or **Additional Work** (may not be entitled to Fixed Fee). Extra Work is defined as new and unanticipated work essential to the satisfactory completion of the project. Additional Work is defined as work that is supplementary to and already part of the existing Scope of Work.
2. The Project Manager is to develop detailed estimates of additional costs (including Design, Construction, ROW, and Utility costs) associated with the potential budget and the schedule impacts. Concurrently, the Project Manager will request the designer to submit a preliminary proposal with cost and schedule impact estimates as may be warranted to supplement the Project Manager's efforts. Additional cost and schedule estimating assistance may be obtained through the Bureau of Program Support Services.
3. The Project Manager is to negotiate the design costs, consultant CE costs (Consultant to review shop drawings), and schedule impacts with the consultant and come to an agreement. Modifications for consultant CE costs to a design agreement must be made timely so that they are executed prior to execution of the construction contract for the project. A technical review of the proposal may be obtained through the Bureau of Design Coordination. If there is a modification to a consultant inspection agreement (construction engineering), negotiation and review should be coordinated with the Regional Construction Engineer. The Project Manager's Agreement Coordinator is to perform a cursory Audit Review of Proposal to check for the following items:
 - Wage rate conformance with latest Approved Wage Rates (confer with the Bureau of Professional Services).
 - Perform fixed fee calculation in accordance with Section 19.3.3.
 - Allowable direct expenses.
 - Interim overhead rate is correct (use the interim overhead rate for calculating ceilings).
 - Audit requirements for Fixed Price Contracts.
4. The Project Manager is to prepare a **Baseline Change Request** when a change in scope is necessary or desirable in order to meet project objectives. Indicate appropriate justification and all anticipated budget and schedule impacts. The package is to be completed by the Agreement Coordinator and is to include as attachments the following:

- Copy of approved Request to Initiate Professional Services (Section 19.1.1).
 - Funding Request Memo (will initiate an Identification of Funds memo to Project Manager; provide a copy of the memo and the proposal to the Federal Aid Coordinator to initiate request for FHWA approval/authorization, if applicable).
 - Soft cost analysis.
 - Copy of negotiated proposal.
 - Revised schedule, if required.
5. The Agreement Coordinator is to circulate the package listed in Step 4 to the Program Manager, the Director of Capital Program Control and Support Services, and the Director of Project Management for concurrence.
 6. Upon approved of the Baseline Change Request, the Project Manager will request the Agreement Coordinator to prepare and send two (2) originals of the Consultant Agreement Modification (CAM) to the Design Consultant for signature.
 7. After the consultant signs the CAM, the Project Manager signs the CAM, and the Agreement Coordinator circulates two (2) originals to: the Program Manager; the Manager, Contract Administration Services; the Manager, Bureau of Capital Program Coordination; the Division of Accounting and Auditing; and the Director, Division of Project Management with a copy to the Manager, Program Support Services. Attachments to be circulated with the CAM include:
 - Copy of final negotiated proposal.
 - Soft cost analysis.
 - Identification of funding memo.
 - FHWA approval/authorization memo (only if federally funded).
 8. The Agreement Coordinator is to distribute the executed Modification as follows:
 - Original to Design Consultant.
 - Original to Accounting and Auditing.
 - Copies to Project Manager, Contract Administration Services, and Federal Aid Section (only if federally funded), Professional Services, Program Support Services (copy of Modification only, no other attachments)

Changes to the Consultant Agreement in excess of \$100,000:

1. Follow Steps 1 through 3 listed above.
2. Submit the designer's proposal to the Bureau of Auditing for review. Include the comments provided in the Audit Report in negotiations conducted with the designer.
3. Submit a Design Change Request in accordance with Section 4.7.3 in place of the Baseline Change Request at Step 4 above.
4. Upon approval of the Change Control Board, proceed with Steps 6, 7, and 8 above, also including the preparation of a Department Action Form AD-12 by the Agreement

Coordinator, and circulate with the CAM package described in Step 7 above. Include the AD-12 with the copy to the Manager, Program Support Services.

Department Action Form AD-12 circulation is as follows:

- Program Manager*
- Manager, Capital Program Coordination
- Manager, Bureau of Agreement Accounting
- Director, Project Manager*
- Assistant Commissioner, Capital Program Management
- Department Secretary*

(* denotes signature)

19.6.1 Transfer of Monies Within a Contract

The following Contract Modification is required for the transfer of funds within an agreement, while maintaining the contract ceiling.

This modification only inserts the language into the project agreement(s) which is (are) necessary for the potential transfer of money. However, the Consultant is still required to make a specific request to the Project Manager for each project, and receive approval for the actual transfer of funds:

CONSULTANT CONTRACT MODIFICATION

WHEREAS, the Department of Transportation, State of New Jersey ("State") has determined that the removal of overhead and wage rate ceilings from consultant agreements will increase consultant flexibility and advance the State's interest in securing a high quality work product;

WHEREAS, the State wishes to allow for such flexibility in agreements that have already been executed by the State and a Consultant without raising the overall cost ceiling that was negotiated by the parties; and

WHEREAS, _____ ("Consultant") wishes to have the option of increasing its flexibility with regard to wage and overhead rates on executed agreements;

NOW, THEREFORE, the Consultant and the State agree that the agreements listed below shall be modified as follows:

1. The following language shall be added to the payment terms of the agreements:

"If, during the duration of this Agreement, the CONSULTANT determines that the costs to be incurred in any of the cost categories set forth herein will be less than the category limitations contained in those cost categories, the CONSULTANT may ask the STATE to transfer the excess monies to any of other categories. The CONSULTANT must provide the STATE with a complete written justification for the transfer and gain

approval from the STATE before incurring costs in excess of a category limitation.”

2. The agreements to which this Consultant Contract Modification apply are:

<u>Agreement Number/Date</u>	<u>Description</u>	<u>Department/Project Manager</u>
------------------------------	--------------------	-----------------------------------

3. All other terms and conditions of the above-referenced agreements shall remain in full force and effect.

ACCEPTED _____
(Consultant)

DATE _____

APPROVED _____
Assistant Commissioner
The State of New Jersey
Department of Transportation

DATE _____

19.7 Invoice Processing

The Project Manager is responsible for:

- Reviewing Consultant invoices to ensure that all required documentation has been provided and either approving the invoice for payment or declaring it deficient and returning it to the Consultant or requesting additional information. Review responsibilities for invoices for environmental services is provided in Attachment 9. Invoice processing for construction inspection services is provided in Section 19.5.

The Program Manager is responsible for:

- Providing concurrence with the Project Manager's decision to approve or deny payment.

Accounting is responsible for:

- Processing all invoices approved by the Project Manager and issuing payment to the Consultant.

Consultant invoices will be considered for payment if the amount is greater than 2% of the total contract cost for contracts up to \$100,000 or greater than \$2,000 for contracts in excess of \$100,000 (unless the Consultant's written justification for such payment is approved by the State or there has been no project work performed in the last three months and the State has been so notified).

Consultant progress reports must accompany invoice submittals in order for a Project Manager to make a clear assessment of payment justification.

Invoices must be processed by the Project Manager within 10 calendar days of receipt by the Department. (According to the "New Jersey Prompt Payment Act", February 1996, the total turnaround time for payment shall be 60 calendar days from the receipt of a properly executed State invoice.)

The Consultant shall perform the following:

1. Submits invoice to the Project Manager for payment. Invoices must be submitted in duplicate and must include a summary of expenditures, and backup documentation. In addition, a progress report covering the period of the invoice must be submitted in accordance with the established format (Attachment 10).

The Consultant shall prepare invoices for payment for work performed under an agreement on forms supplied by the State.

The Consultant shall submit a separate invoice for each billing under an agreement, and a separate invoice for each billing under a Consultant Agreement Modification for Extra Work. Each invoice shall contain, but is not limited to, the following:

- A project identification number and, when applicable, the Consultant Agreement Modification number.
- The Agreement date.
- The billing period covered by the invoice.
- The amount of the current billing and the amount for the items listed as follows:

For Cost Plus Fixed Fee Agreements:

- a. Salary Expense
- b. Payroll Burden and Overhead
- c. Non-Salary Direct Expense
- d. Subcontractor Expense
- e. Proportional Amount of Fixed Fee
- f. Retainage

For Fixed Price Agreements:

- a. Subcontractor Expense
- b. Retainages
- The total amount of the Agreement.

Appropriate support documents for all items shall be attached to each invoice (i.e., receipts).

The secretarial assistant, Project Management Group shall perform the following:

2. Maintains an Invoice Control Log Book for the Program Manager, logs in the date the invoice was received, and tracks the invoice processing within the Group.
3. Gives the original invoice package to the Project Manager and files the copy in the Project Management group files. Attaches a blank FMIS Expense Distribution Form AC-1641.

The Project Manager shall perform the following:

4. Reviews the invoice to ensure that the following requirements are met:
 - consultant signature is provided.
 - the payment amount requested exceeds the minimum amount needed for processing (see Policy Section above).
 - all relevant work with regard to the invoices has been performed.
 - the percentage of total contract cost invoiced matches the percentage of work actually completed.
 - sufficient supporting documentation has been provided.
 - federal, nonparticipating tasks are billed separately.

Note: The invoice must be approved or denied by both the Project Manager and Program Manager within 10 calendar days of receipt.

5. Completes the FMIS Expense Distribution Form AC-1641 with appropriate job number.
6. If any of the requirements in Step 4 have not been met, calls the Consultant to explain the deficiency and completes a Deficiency Notification form, AR-PP1, signs it, attaches it to the original invoice package, and forwards it to his or her supervising Program Manager for concurrence.
7. If all requirements in Step 4 have been met, signs the original invoice and FMIS Expense Distribution Sheet (Materials Received), and gives the entire package to the Program Manager for concurrence.

The Program Manager shall perform the following:

8. Signs either the FMIS Expense Distribution Sheet (Recommended for Approval) or the Deficiency Notice Sheet, thereby stating concurrence with the Project Manager's decision and gives the entire package to the Group's secretarial assistant.

The secretarial assistant, Project Management Group shall perform the following:

9. Records the date the invoice was approved/denied in the invoice Log Book and transmits the signed original package to either Accounting (if the invoice has been approved) or the Consultant (if the invoice has been found deficient).

Attachment 9 - Environmental Invoices

**Procedure for Processing Environmental Invoices
within the Division of Project Management**

- Step 1 Consultant sends invoice to Project Manager. Project Manager decides who should receive invoice, E-Team leader or BES Technical Services Section Chief. **Note:** Prior to commencement of detailed technical studies, all invoices should be sent to the E-Team leader for processing. Once the CE Documentation determines that detailed technical studies are needed, invoices for Air, Noise and Hazardous Waste studies should only be sent by the Project Manager to the Section Chief of BES's Technical Services section. All invoices for other environmental areas should continue to be sent by the Project Manager to the E-Team leader.
- Step 2 E-Team leader and/or Technical Services Section Chief (or their designee) reviews invoice and signs the materials received/services performed section on Form AC-1641.
- Step 3 E-Team leader or Technical Services Section Chief (whomever has "lead") forwards invoice and Form AC-1641 to the Project Manager.
- Step 4 Project Manager signs invoice and "recommended for approval" section of Form AC-1641. Forwards invoice and Form AC-1641 to Program Manager.
- Step 5 Program Manager signs "recommended for approval" section of Form AC-1641, then forwards same to Bureau of Accounting Operations for processing.

Attachment 10 - Progress Report Format

PROGRESS REPORT FORMAT

The intent of this document is to establish minimum requirements and contents for consultant monthly progress reporting to NJDOT.

Monthly consultant progress reports should include:

Summary of Work Performed

General narrative of accomplishments during the reporting period, summarized by Activity ID#, including any particular problems encountered or decisions made. Summarize the accomplishments resulting from any meetings or site visits conducted during the reporting period. This section should relate to the projected activities in the Short Term Workplan from the previous period's report.

Tabular Cost/Schedule Analysis

For each activity, tabularize budget cost, total cost incurred to date, actual start/actual finish dates for each activity, % completion for each activity based upon actual progress (not based on \$ expended) and % completion for the total project. Subconsultant and prime consultant work should be summarized in the same format.

Example:

Activity ID#	Activity Description	Budget \$	Cost to Date	% Comp	Start Date	Finish Date	Project %
2050	Appraise Right of Way	\$10,000	\$9,000	100	10SEP95	15OCT95	10.53
2170	Prepare Drainage Design	\$15,000	\$10,000	66	15SEP95		10.58
2240	Conduct Supplemental Surveys	\$20,000	0	0			0.00
2300	Prepare Permit Applications	\$50,000	\$20,000	50	15AUG95		26.32
		\$95,000	\$39,000				47.43

Project Schedule

This section should include a graphic representative of the consultant's schedule including the original duration of all activities, the actual start of any activities in progress, the remaining duration of all activities, key interrelationships between activities, major NJDOT interface or decision points, major submissions or project reviews.

Short Term Workplan

This section should include a detailed description of the Consultant's workplan for the upcoming period, including all meetings planned with NJDOT support units or outside agencies, deliverables or submissions planned, and any major activities that will either commence or be completed during the period.

Scope Modifications

Identification and discussion of any issues the Consultant believes may impact the scope of the project, necessitating either increases in the cost or duration of the design effort. The discussion should also include estimates of any additional time and cost that may result from a change in the scope of the project.

19.8 Consultant Performance

It is the policy of the New Jersey Department of Transportation to regularly monitor the performance of consultants and contractors. The Project Manager shall review the Terms and Conditions of all Agreements for performance requirements. Documentation of a consultant's performance shall be ongoing and will be provided in the form of memorandums furnished to the consultant. Contractor performance reviews will occur as required, but no less than three times a year. Any immediate concerns regarding the contractor's performance should be addressed at the time of occurrence. In instances where in-house design services are used, the Project Manager should monitor performance in a similar manner, as appropriate.

Consultant Reviews

For consultant work, this procedure applies to all professional services contracts which includes capital project design, technical inspection, and similar contracts administered by all NJDOT Departments that has a Project Manager assigned to them.

Although the consultant performance procedure provides a step-by-step process for documenting poor work performance, the Project Manager should document instances where the consultant is performing up to or exceeds the expectations of the assignment.

Some of the more common items that the Project Manager may review or report on (either as a problem or for satisfactory work performance) relating to consultant performance are as follows:

- The quality and timeliness of the:
 - Consultant of QA Plan and Procedures
 - drawings
 - cost estimates
 - specifications
 - responses to requests and comments
 - design calculations and the associated narrative
- Working relationship with the:
 - subconsultant
 - NJDOT Operating Groups
 - NJDOT Engineering Department
 - Other Agencies (as applicable)
- Other items that the Project Manager may report on:
 - design within scope and budget
 - economy of design
 - attitude/cooperation
 - initiative
 - innovative concepts
 - judgment

knowledge
level of NJDOT support required
monitoring and scheduling
senior management involvement
consultant's compliance with QA Plan and Procedures

It is also the policy of NJDOT Capital Program Management to make visits, as it deems necessary, to the office of consultants and their subconsultants who have been retained for design projects. These visits will allow the Project Manager to perform the necessary monitoring of consultant and subconsultant activities and will also provide information needed to confirm job progress and expedite consultant payments. Office visits can serve several different purposes and should be tailored to the project needs, and would include:

- An overview of the consultant's operation to acquire an overall impression of how the firm functions and the amount of effort being devoted to the NJDOT contract.
- Review of consultant progress and work being performed.
- Investigation of any suspected irregularities.

The Project Manager (and, if required by the Project Manager, other technical staff) will make monthly visits to the consultant's offices throughout design development to review the consultant's operations and progress of the consultant's work. When submissions show inadequacies, additional office visits will be required between submissions as may be deemed necessary by the Project Manager.

When in-house design forces are used, the Project Manager must periodically monitor and visit with the in-house design team and evaluate their performance.

When a design consultant is retained for construction engineering services, the Project Manager will continue to monitor and notify the designer in writing of any problems (or successes). Typical items that may be addressed in this stage, in addition to those items noted above, are the timeliness of shop drawing reviews, quality and timeliness of field design drawings, and knowledge of payment procedures. The Resident Engineer or Field Manager may provide input when appropriate.

When professional service firms are hired for RE and inspection services, items that should be reviewed and reported by the Project Manager are the quality and timeliness of the consultant's monthly reports, the quality and timeliness of technical inspection performed by the consultant, the quality and timeliness of the Consultant's field reports, monitoring of safety requirements, monitoring of the contractor's Quality Program, and the quality and timeliness of the review of additional work orders. The NJDOT Resident Engineer or Field Manager should perform the actual review and notify the Project Manager.

Upon the completion of all consultant service contracts, the Project Manager will prepare a Project Summary Report addressing the above performance items.

Consultant Evaluations: Architectural/Engineering and/or Design Services

Project Manager:

1. Upon arrival at the consultant's office, provides an introduction identifying the employees who will be involved in the design review.
2. Requests that NJDOT representatives be taken immediately to the appropriate area where the NJDOT, work is being conducted.
3. Meets with the consultant Project Manager and requests names and experience of the project group, inquires how the project group is organized, where they are located, and the procedures used for assigning, supervising, and checking work.
4. Requests copies of job related information or files such as correspondence, plans, drawings, studies, and time cards, as needed.
5. Discusses project status, upcoming deliverables and all relevant project issues.
6. Walks through the entire office area to note facilities, general quality of the office, etc.
7. Selects, at random, one or more personnel assigned to the project, and inquire as to their understanding of the project.
8. Interviews personnel working on the project. Look at calculations, drawings, and studies in sufficient detail to make an evaluation of progress beyond the last progress milestone submission.
9. Makes estimate of percent complete of each discipline.
10. Checks for conformance to previous comments.
11. Checks for adherence to scope of work.
12. Examines time cards and other documents as appropriate to the particular problem and discuss with personnel.
13. Prior to leaving the consultant's office, conducts an exit interview for the purpose of briefing the consultant's management of the findings of the visit. (This interview should include a discussion of any adverse findings or deficiencies noted during the visit and gives the consultant

the opportunity to explain any discrepancies).

14. Within five days of the visits, develops a summary report that includes the following information:
 - name of the consultant
 - date(s) of visit
 - address of consultant
 - consultant contract number
 - brief description of the project
 - names and units of the NJDOT representatives who conducted the visit
 - purpose of the visit
 - any noteworthy findings during the visit (including the exit interview)
 - action to be taken by the consultant
 - comments, including the need for follow-up
 - signatures
15. Forwards a copy of the report to the Consultant Project Manager and one copy to Contract Administration Services.
16. Follows-up on any adverse findings and monitors the progress of any corrective action plan developed by the consultant and approved by the NJDOT Project Manager.

Consultant Evaluations: Engineering and Inspection Services

Field Manager or Resident Engineer

1. Continuously monitors CE&I Services through observations of site work and review of pertinent documentation. Considers written evaluations at the following junctures, however, ensures that the CE&I consultant is notified in writing at the time when a work product is considered inefficient.
 - preconstruction
 - construction 25%
 - construction 50%
 - construction 75%
 - post-construction
 - agreement close-out

For observed unacceptable work, see "Consultant Reviews for Deficiencies" (Part C).

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| | 2. | Within five days of an unacceptable specific construction milestone, develops a summary report that includes the following information: |
| | | <ul style="list-style-type: none"> • name of the consultant • dates of review • address of the consultant • consultant contract number • brief description of the project • noteworthy findings • action to be taken by the consultant • comments, including the need for follow-up • signatures |
| | 3. | Forwards a copy of the report to the Project Manager for review and approval. |
| Project Manager | 4. | Forwards a copy of the report to the Consultant Project Manager and one to Contract Administration Services. |
| Field Manager or Resident Engineer | 5. | Follows up on any adverse findings and monitors the progress of any corrective action. |

Consultant Reviews for Deficiencies

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| Project Manager | 1. | Upon becoming aware that the consultant is not performing work in an acceptable manner, immediately sends a letter to the consultant reporting the specific deficiencies. Copies of the letter shall be sent to the Program Manager, the Manager, Contract Administration Services, the Director, Project Management, and the Manager, Quality Management Services. |
| | | Note: The Project Manager, in many cases, will be notified by in-house design support staff of a non deliverable or problem area. If the problem is not serious, the Project Manager may provide a verbal warning with an agreed upon due date prior to a written warning. |
| | 2. | Ensures that the letter contains suggestions (when appropriate) for correcting deficiencies, a deadline for any required recovery plan, and actions that may be taken by NJDOT if the Consultant does not remedy the deficiencies. |
| | 3. | Meets with the consultant to resolve the problem. Include the consultant senior management where necessary. |
| Consultant | 4. | Takes immediate action to correct the deficiencies or provides a detailed recovery plan (within 5 days of receipt |

of the letter) for correction of the deficiency.

Project Manager

5. Reviews the recovery plan and either approves it or advises the consultant to revise the recovery plan.
6. Monitors the consultant's progress towards correcting the deficiency by the agreed upon deliverable date. Informs the consultant if the actions taken do not appear in compliance or on schedule with the recovery plan deliverables.
7. Upon the due dates of the specific deliverables, informs the consultant in writing whether the deliverable was satisfactorily completed or whether the concern is still open. Copies of this response shall be sent to the Program Manager, the Director, Project Management, the Manager, Contract Administration Services, and the Manager, Quality Management Services.
8. If the consultant has not corrected the deficiency by any revised agreeable date, prepare a Notice of Non-Conformance as per Section 6.6.1, with a copy for the Program Manager.

Manager, QMS

9. If the Manager, QMS, in conjunction with the Program Manager, Project Management, determine that the consultant's non-performance of deliverables, errors and omissions, or non-conformance with the approved Project Specific Quality Assurance Plan (PSQAP) has not been satisfactorily resolved, the consultant shall be terminated from the project as per the Agreement.
10. If the consultant fails to satisfactorily correct the deficiency by any revised agreeable date, whether the deficiency is in a specific deliverable or a major non-conformance with the approved PSQAP, the Manager of Quality Management Services shall rescind the consultant's prequalification status.

19.9 Consultant Closeouts

When final design nears completion, the Project Manager should prepare a Project Summary Report and begin closeout activities.

If the consultant is to provide construction support services, the design portion of the contract should end. In some cases, where there are no construction support provisions in the contract, then the entire contract agreement must end. This process is commonly referred to as closeout.

A final invoice represents the last chance to compensate the consultant for a satisfactory job, or withhold money due to incomplete work. It is important that the Project Manager review the entire file, especially information related to the deliverables and consultant's performance. Section 19.8 specifies that the Project Manager document all instances where the consultant did not satisfactorily perform or deliver on a timely schedule. The Project Manager should ensure that these problems were corrected prior to closeout. The Project Manager should check with Quality Management Services and Contract Administration Services to ascertain that there are no other outstanding issues or findings either from a contractual standpoint or from a quality audit or quality control standpoint. In addition to reviewing the project files, the Project Manager, prior to closeout, should develop a punchlist of items contractually required for completion or delivery just prior to or at the time of closeout. NJDOT reserves the right to retain payment until these punchlist items are completed.

Consultant Contract Closeout

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| Project Manager | <ol style="list-style-type: none">1. Prepares Project Summary Report addressing consultant performance in accordance with Section 19.8.2. Requests the consultant to submit a Final Invoice to CAS, if closeout is recommended. |
| Manager, Bureau of Contract Administrative Services | <ol style="list-style-type: none">3. Receives a signed invoice and consultant progress report requesting final payment when the Project Manager has determined that the work is complete.4. Reviews the invoice to ensure that the following requirements are met:<ul style="list-style-type: none">• The consultant signature is provided.• Punchlist of items contractually required for completion to ensure that all work has been completed.• The release clause is included.5. Prepares AD-12 to closeout agreement, verifying work has been completed to the satisfaction of the Department. Recommends final invoice payment and that any unused |

funds be canceled upon final audit.

6. Notify FHWA through Capital Program Coordination. If the design has been funded using Federal funds, but it is anticipated that State funds will be used for construction, forwards a letter to FHWA closing out preliminary engineering and right of way contracts.
7. If it is assessed that the work has been completed, approves and forwards invoice to Accounting for payment. If the work has not been completed (as defined by the examples provided in the "Policy" section), notifies the consultant that the work has not been met, and prepares a deficiency notification to the invoice and forwards it to the supervising program manager for concurrence.

Program Manager

8. Reviews the deficiency notification to ensure that it is accurate and complete.

Project Manager

9. Determines with the consultant when the "open items" will be satisfactorily completed and accepted by NJDOT.
10. Upon satisfactory completion of all open items, recommends release of final payment or retainage upon receipt of final invoice. If completion of the open item delays the project, where NJDOT incurs additional costs, NJDOT may deduct this from the final payment or backcharge the consultant.