

# Hiring & Managing Consultants



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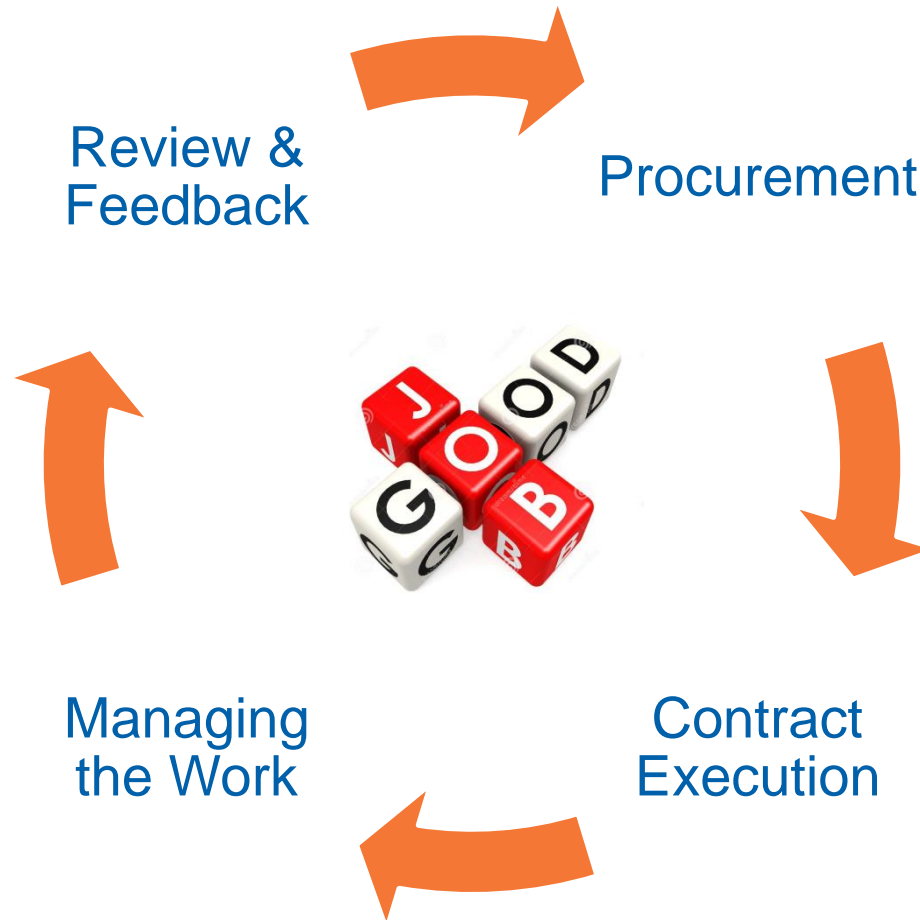
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# Prepare for a Successful Project

## Locality assigns a Project Manager to:

- Act as the point of contact for all communication
- Develop the overall goals, plans, and schedules
- Be the liaison with consultants and contractors
- Provide contractual oversight and authority
- Monitor progress and compliance
- Review and approve invoices & payments
- Coordinate with state and regulatory agencies
- Ensure plans and specs have been reviewed for accuracy and completeness prior to submission

# Consultant Lifecycle



# Consultant Lifecycle



# Procurement

## What Are Professional Services?

### **Code (VPPA) defines 12 areas as Professional Services:**

- Accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, economist, medicine, optometry, pharmacy and professional engineering.

### **Examples of Professional Services:**

- NEPA Environmental Studies; Bridge safety and construction engineering inspections; Geotechnical; Hydrologic and hydraulic studies; Right of way engineering; Engineering and design related services directly related to a highway construction

# Procurement

## How is a Professional Services RFP Different?

### The Request for Proposals (RFP):

- Is a qualifications based selection process (**Brooks Act**)
- Requires selection committee or panel to evaluate proposals
- Is evaluated based on pre-established scoring criteria
- Does not include price evaluation

### Use Available Resources

- RFP Template
  - Standardizes RFP solicitations for all professional services
  - Use VDOT template or secure pre-approval for a locality template



# Procurement

## Developing the Request for Proposals

### The RFP should include:

- Scope of services/purpose
- Proposal preparation and submission requirements
- Type of contract (annual services, stand alone, multi-phase)
- If multiple awards will be made
- Evaluation and award criteria, to include scoring
- Estimated project timeline
- Location of project
- Reference request
- Federal requirements
- Contact and response information



# Procurement

## Developing the Request for Proposals

### Key points to consider:

- Capture all services that will be needed, but don't go overboard
- Provide clarity & simplicity in the scope
- Prior approval for multiple phase contract
- Include time to request DBE Goal from VDOT
- When possible, provide realistic timeline to prepare proposals
- Coordinate with VDOT during the procurement process and have them review your proposal





# Procurement

## Selection Committee for RFP Evaluations

### Selection committee members

- Have experience/familiarity with services being solicited
- Subject Matter Experts if possible
- Will be involved in project after selection is made

### Selection committee chairs

- Have experience as a selection committee member
- Most familiar with processes and procedures

### RFP inquiries

- Only the Chair should respond to inquiries for consistency
- Shall only give information of a general nature so no consultant has an advantage over another
- Request inquiries be placed in writing for clarity

# Procurement

## Evaluating & Ranking the Proposals

### Use criteria from the RFP:

- Expertise
- Project understanding
- Prior experience (firm and/or individual staff)
- References
- Licensing and registration as appropriate
- Volume of work and resource availability

### Establish consistent scoring guidelines for the committee

- Spreadsheet template can help
- Try to document major pros & cons

# Procurement

## Evaluating & Ranking the Technical Presentation

- **Consultant makes a presentation of their qualifications to the selection committee. The presentation should focus upon the strengths of the team to meet the scope of services.**
- **Panel can ask prepared questions and follow-up questions. VDOT uses “cold” questions which are prepared in advance but not provided to the team until after the presentation.**
- **Be ready to question inconsistencies or items that need clarification following the presentation.**
- **The goal of the Technical Presentation phase is to gain the necessary information to make a final selection.**

# Procurement RFP Process

## Key points to consider:

- Develop a review schedule for the committee and stick to it
- Pick reasonable time and locations for the interviews for both the consultants and panel members (parking, facility access, etc.)
- Try to reconcile questions with committee members and rank firms while the information is still fresh
- Document pros and cons for the file and for future de-briefs
- Be available for de-briefs



# Procurement Resources

- **Must follow VDOT's 2009 Manual for the Procurement and Management of Professional Services (FHWA approved)**
  - The Manual is available on VDOT website:  
<http://www.virginiadot.org/business/gpmmps.asp>
- **Otherwise, develop and utilize your own procurement guidelines that are **approved by VDOT and FHWA.****
- **Federal Reference – 23 CFR 172**
- **Locally Administered Projects (LAP) Manual also refers to VDOT's 2009 Manual for the Procurement and Management of Professional Services (FHWA approved)**
  - The LAP Manual is available at:  
[http://www.virginiadot.org/business/locally\\_administered\\_projects\\_manual.asp](http://www.virginiadot.org/business/locally_administered_projects_manual.asp)

# Consultant Lifecycle



# Contract Execution

## Prepare First

### Pre-Award Evaluation

- Consultant should begin preparing as soon as selection notification is made
- Why is it needed?
  - To determine if the provisions of the proposed agreement are in compliance with State & Federal regulations
  - To determine the financial capability, adequacy of the accounting system, appropriateness of overhead rates & labor additives, and similar add-ons
- Documentation sent to Local Liaison and forwarded to VDOT Assurance and Compliance Office (ACO)

### References:

- LAP Manual Chapter 11
- VDOT Manual for Procurement & Management of Professional Services

# Contract Execution Prepare First

## Pre-Award Evaluation—Pre Submittal Checks

- Direct labor
  - Labor rates match payroll records
- Overhead rates
  - Ensures costs are representative of actual costs of the consultant
  - Rates should be no older than 18 months
  - FAR audit prepared by independent CPA annually
  - If no FAR, capped at 75 percent
  - FAR audits are not required for sub-consultants whose fees are estimated to be less than \$200,000
  - Capped at 156% for the purpose of establishing net fee
- Non-Salary direct cost
  - Travel, reproduction, computer rental are reasonable





# Contract Execution Prepare First

## Pre-Award Evaluation—Pre Submittal Checks (con't)

- Net fee
  - Reasonable and within VDOT guidelines
  - 8 to 12 percent – must have justification if over 10 percent
- Contingency
  - Normally 5 percent of loaded labor and direct expenses
- Total maximum compensation
  - Includes total of all costs



# Contract Execution Pre-Award Evaluation



## Points to consider:

- Hourly rates may not be obvious
  - Firms are paid bi-weekly, bi-monthly, or even monthly and many of the payroll registers don't show an hourly rate, so it may have to be calculated
- Average hourly rates don't agree with payroll registers
  - Example: payroll registers submitted from late 2015, however raises went into effect Jan 1, 2016
- Sub-consultants usually have the most problems since they don't typically deal with pre-award evaluations
- Don't have to be a CPA, but it's worth checking for some of these discrepancies prior to VDOT submission
- VDOT has 20 business days to provide comments after receipt of a completed package

# Contract Execution

## Scope, Schedule, & Budget

### Contract Negotiations

- Select the appropriate type of compensation
  - Lump sum, Cost plus net fee, Fixed billable rates
- Ensure contract scope is clear
- Avoid lists of exclusions
- Use latest design standards
- Don't let the consultant reinvent the wheel if a standard or specification already exists
- Make sure the schedule is reasonable and compliments the overall project schedule
- Can we skip some preliminary design submittals?



# Contract Execution

## Scope, Schedule, & Budget

### Contract Negotiations (con't)

- Don't cut corners on test holes, utility designation, & geotechnical services
- Require summary of hours for each task and review for consistency—watch for “principal parking” on your project
- Look for tasks with excessive hours—could indicate lack of clarity in the scope or uncertainty from consultant
- May need to further breakdown tasks such as meetings: formal, informal, executive level, civic league to better define costs



# Consultant Lifecycle



# Managing the Work

## Let's Get Going!

### Housekeeping items:

- Need to make sure consultant understands the invoicing process for the locality
- Reminder to submit any forms related to federal, state, and local requirements (example: grant progress reporting)
- Reiterate lines of communication—should flow from consultant to locality to VDOT

### Technical items:

- Need to ensure coordination between locality SME's and consultant SME's (example: public utilities, traffic operations, stormwater)
- Ensure design waivers and/or exceptions are raised up and vetted as soon as possible
- Value Engineering for projects over \$5 million—don't forget VDOT review and approval time

# Managing the Work

## Let's Get Going!



### Technical items (con't):

- Need to ensure coordination between locality SME's and consultant SME's (example: public utilities, traffic operations, stormwater)
- Ensure design waivers and/or exceptions are raised up and vetted as soon as possible
- Value Engineering for projects over \$5 million—don't forget VDOT review and approval time
- Stormwater/VSMP—locality may need to provide guidance for the consultant on procedural issues
- Private utility coordination needs to be monitored closely
  - Decide when to engage utility companies
  - Ensure utility designs are being completed with easement requirements for plats (if needed)

# Managing the Work

## Let's Get Going!

### Locality specific issues:

- Sea level rise
- Vibration monitoring program
- Traffic control restrictions during tourist seasons
- As-builts/record drawings
- Proprietary items: signal controllers, lights
- Project updates-website, social media
- Additional meetings: city council, executive leaders, civic leagues, etc.



# Managing the Work

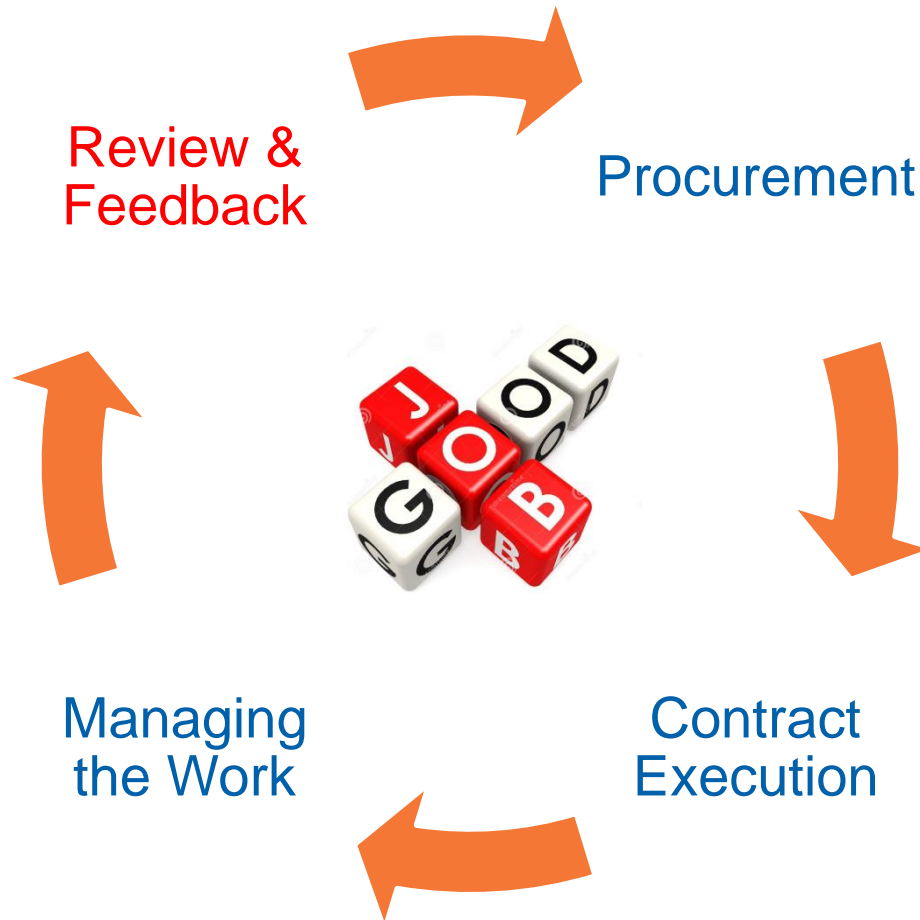
## Let's Get Going!

### Points to consider:

- Need to be careful about adding new sub-consultants—change order will be needed as well as a pre-award evaluation
- Be mindful of scope creep such public utility improvements and economic development endeavors
- Then be mindful of non-reimbursable scope creep!
- Read and understand environmental permits
- Right-of-way acquisition and utility relocations are always on the critical path—look for ways to resolve those issues early
- Don't let or make a consultant spin their wheels, either by action or inaction
- Change orders aren't always bad



# Consultant Lifecycle



# Review & Feedback

## Procurement

- Provide quality feedback for firms that request a debrief
  - Discuss how they ranked and the pros/cons of their proposal and/or interview
  - Be honest, open, & professional—consultants spend a lot of money chasing after these projects so an hour debrief shouldn't be a burden
  - Avoid vague statements such as, “firm X just wanted it more”
  - Quality debriefs translate into better proposals/interviews which translate into more quality competition
  - Don't forget to debrief the chosen firm—they need to hear feedback as well

# Review & Feedback

## VDOT Consultant Evaluations

- Performed twice a year
- Includes consultants AND sub-consultants
- Based on facts and documentation-not personal biases
- Consultant reviews and can provide written comments for any unsatisfactory evaluation
- Consultant Performance Report Template (AS-415)

AS-415  
98JUL31

COMMONWEALTH OF VIRGINIA  
DEPARTMENT OF TRANSPORTATION  
CONSULTANT PERFORMANCE REPORT

Prime \_\_\_\_\_ Sub \_\_\_\_\_ Date: \_\_\_\_\_

Type of Report: Interim \_\_\_\_\_ Post Design \_\_\_\_\_ Post Construction \_\_\_\_\_

Consultant: \_\_\_\_\_

Address: \_\_\_\_\_

Project Manager: \_\_\_\_\_ Discipline Manager: \_\_\_\_\_

VDOT Project Manager: \_\_\_\_\_ Division/District: \_\_\_\_\_

Route: \_\_\_\_\_ City/County: \_\_\_\_\_ Project No.: \_\_\_\_\_

Description of Work: \_\_\_\_\_

Contract Value: \$ \_\_\_\_\_ Date Contract Completed: \_\_\_\_\_

DBE or WBE goal for contract: \_\_\_\_\_% Category of Consultant Work (A, B, C or D): \_\_\_\_\_

A - On-call surveying  
B - Preliminary engineering  
C - Inspection  
D - Operations & maintenance

STATUS REPORT:

1. Estimated total percent of contract completed: \_\_\_\_\_%

2. Tasks completed or underway at this site: \_\_\_\_\_

3. Estimated percent of contract to be done by DBE or WBE: \_\_\_\_\_%

Rating Points for individual items and overall score

Exceptional	..... 5
Exceeds Expectations	..... 4
Meets Expectations	..... 3
Needs Improvement	..... 2
Poor	..... 1
Not Applicable	..... NA

Note: Any rating less than 3 requires appropriate comment. Comments supporting all ratings should be given. The rating must be reviewed with the consultant. Scores may be given in tenths of a point. A score of 3 indicates the consultant meets the terms and conditions of the contract. A score of 5 would indicate that the consultant has far exceeded what is normally expected. Ratings shall be based on facts and documentation and not personal prejudices.

I. ATTITUDE AND COOPERATION: RATING

1. Cooperation with VDOT:	_____
2. Cooperation with other agencies, firms, cities, etc.:	_____
3. Attitude toward public:	_____
4. Attitude toward work:	_____
5. Application of Specifications and Standards:	_____
6. Scope of work and terms of Agreement followed:	_____

# Review & Feedback

## Overall

- Make time to discuss how things are going
  - Schedule a separate meeting to provide feedback on the contract
  - Use these meetings to brainstorm process or procedural improvements
- Don't wait until the end of the contract to discuss performance issues
- Don't let the work overshadow the need to make changes in personnel or processes



# References

- 2009 VDOT Manual for the Procurement & Management of Professional  
[http://www.virginiadot.org/business/resources/ipd/2009\\_manual\\_revision3\\_12jul01\\_cleancopy.pdf](http://www.virginiadot.org/business/resources/ipd/2009_manual_revision3_12jul01_cleancopy.pdf)
- Locally Administered Projects Manual (Ch 1, 3, 4, 11, 12)  
[http://www.virginiadot.org/business/locally\\_administered\\_projects\\_manual.asp](http://www.virginiadot.org/business/locally_administered_projects_manual.asp)

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