

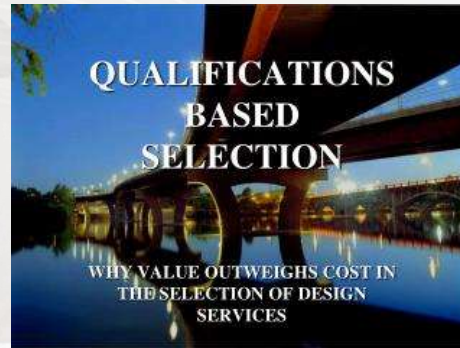
# Consultant Selection



## Two Steps:

### 1) Qualification Based Selection

### 2) Scope and Fee



Sections #13 & #14

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1



QBS

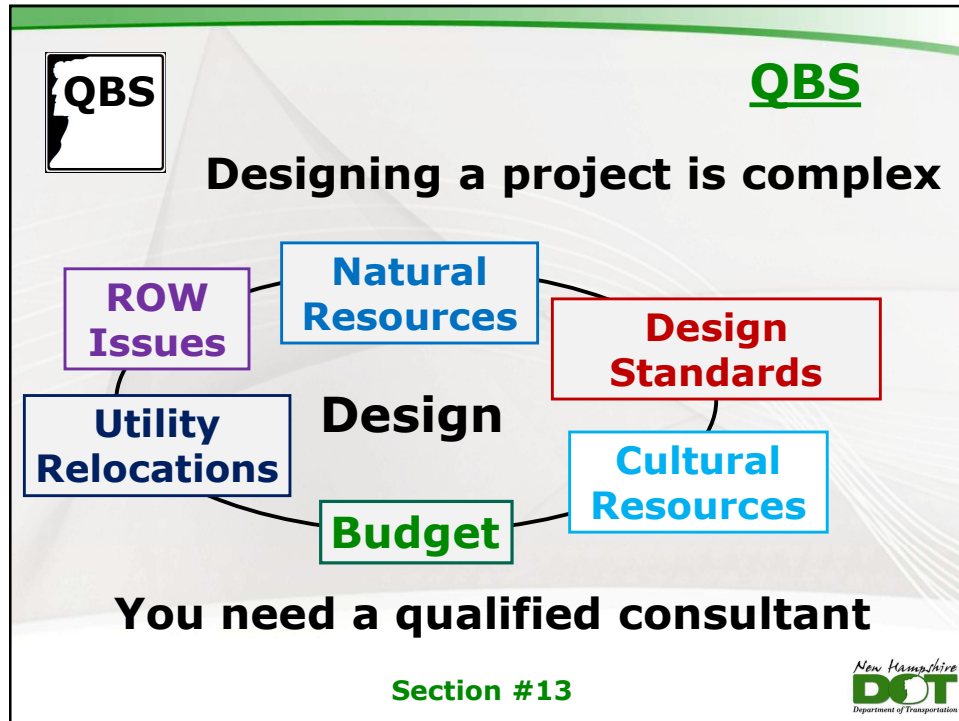
## Prior to Beginning the Qualification Based Selection (QBS) process

- Hold a Scoping Meeting
  - In person (or virtual)
  - With the community and NHDOT PM
  - Develop an understanding of the project's expected scope, schedule, and budget

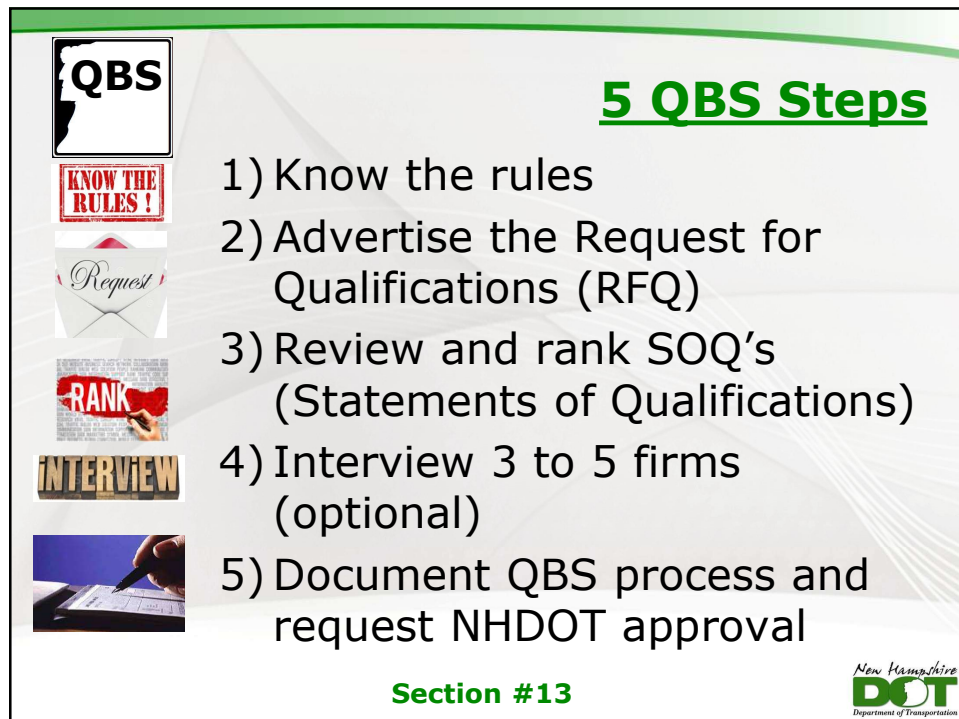


New Hampshire  
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2



3




4


**QBS**  
**#1**

## Step #1 - Know the Rules

### QBS is required by law:

- Title 40 US Code, Chapter 10, Subchapter VI "Brooks Act" 
- 23 Code of Federal Regulations Part 172 - "Administration of Engineering and Design Related Services Contracts"
- NH Statute (Revised Statutes Annotated) 21-1:22, "Selection of Engineers, Architects, and Surveyors"

Section #13



5



**QBS**  
**#1**

## Know the Rules

### Qualifications - Not Money

- Selections must be based on **qualifications for the specific project**
- **Fee shall not** be discussed until the next phase (Scope and Fee)

Section #13

6



## Know the Rules

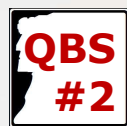
### Consultant Selected by Sponsor

- Must have a **professional engineering or architectural license** in the State of New Hampshire
- Must be **certified** to work on LPA projects
- Must **demonstrate experience** in discipline required (bridge design, roadway design, trail design, etc...)

Section #13



7



## Step #2 - Advertise the RFQ

### RFQ – Request for Qualifications

- Shall clearly describe scope of services
- Can be based on funding application
- Can be reviewed by NHDOT (optional)

See LPA Manual Appendix #8 for example forms (also [nhqbs.org](http://nhqbs.org))



Section #13



8



## Advertise the RFQ

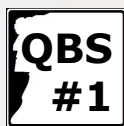
### Advertisement

- Required: Place Ad in paper with wide distribution (Regional or State),
- May also use Trade publications and Websites
- May also send RFQ directly to known qualified firms
- **Cannot limit consultants based on previous local experience or location of office**

Section #13



9



## Know the Rules

### Alternate QBS Processes

- 1) **LPA Pre-Qualified List of Firms (Recommended)**  
[www.nh.gov/dot/org/projectdevelopment/planning/lpa.htm](http://www.nh.gov/dot/org/projectdevelopment/planning/lpa.htm)
- 2) **IDIQ** – Indefinite Delivery Indefinite Quantity Contract (Firm already retained for broader services and previously hired by QBS)
- 2) **Force Account** – LPA staff qualified to perform engineering, architectural or survey services

Section #13



10



**QBS**  
**#3**

## Step #3 - Review and Rank


### SOQ's

Process

- Develop ranking criteria prior to review
- Review Statements of Qualifications (SOQ's) from consultants
- Check references
- Rank at least 3 SOQ's (State Law)

See LPA Manual Appendix #8 for sample forms

Section #13



11

**QBS**  
**#4**

## Step #4 - Conduct


### Interviews

Optional but highly recommended

- Interview ranking system must be predetermined
- Send evaluation criteria / characteristics to firms ahead of time
- Ask the same questions of each firm

See LPA Manual Appendix #8 for example forms

Section #13



12



## Step #5 - Document and Submit Request

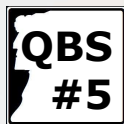
- Document the Process
  - RFQ & Advertisement
  - SOQ's & Ranking, and
  - Optional Interview Process
- Send documentation into NHDOT with Official **request to enter into Scope and Fee negotiations** with the #1 ranked firm



Section #13



13



## Document and Submit Request

Once NHDOT reviews and approves the Sponsor's official request, the Sponsor will receive a Notice to Proceed (NTP) to begin Scope and Fee negotiations with the #1 ranked firm

Section #13



14

## Consultant Selection



### Second Step:

1) Qualification Based Selection ✓  
(QBS)

**2) Scope and Fee**



Section #14

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15



## Scope and Fee

### **Prior to Beginning**

- Consultant selected thru QBS ✓
- “**Received Authorization to Start**”  
Scope and Fee negotiations from  
NHDOT ✓






**or “RATS” work is ineligible!!**

Section #14

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16









## 8 Scope and Fee Steps

- 1) Know the rules
- 2) Consultant develops written scope of work
- 3) NHDOT reviews scope (optional)
- 4) Consultant develops blank task matrix

Section #14




17

## 8 Scope and Fee Steps

- 5) Sponsor develops IGE –  
Independent Government Estimate
- 6) Negotiation
- 7) Document and submit request
- 8) Execute contract

Section #14




18

**S&F**  
**#1**


## Step #1 - Know the Rules

### FHWA 7/20/2011 Memorandum

- “Updated Engineering and Design Related Services Guidance” document 
- Q&A document to help clarify the Federal requirements and policies associated with consultant services on Federal projects

See LPA Manual Appendix #9

Section #14



19


**S&F**  
**#1**

## Know the Rules

### Labor Rates

- Indirect Labor Rates (overhead) must be preapproved by NHDOT
- Recommend Indirect Labor Rates be fixed for the life of a multi year contract

Section #14



20



## Know the Rules

### Fixed Fee (Profit)

- Fixed Fee % can be negotiated
  - 10% max fee on "Cost Plus Fixed Fee Contract"
  - 15% max fee on "Lump Sum Contract"
- "Fixed Fee" means fixed amount  
(not a percentage of labor)

Section #14



21



## Know the Rules

### Direct Expenses & Subs

- Clearly define all direct expenses (mileage, copies, bid advertise, etc...)
- Mileage rate needs to agree with current Federal rate (ask your NHDOT PM)
- Sub-consultants shall be listed
- Direct Expenses shall be listed

Section #14



22

**S&F**  
**#1**


## Know the Rules

### Direct Expenses & Subs

- Sub-consultants with an NHDOT cumulative active contract fee total of \$200,000 or greater must have indirect cost rate (overhead rate) approved by DOT
- Sub-consultants with a NHDOT cumulative active contract fee total less than \$200,000 must submit a sub-consultant indirect cost rate self certification.

See handout for sub-consultant indirect cost rate self certification form

Section #14




23

**S&F**  
**#2**


## Step #2 - Develop Written

### Scope By Phase Scope

- PE and ROW services shall be written out by the consultant and reviewed by Sponsor



Section #14



24



## Develop Written Scope

### Follow Major Milestones

- Written scope shall follow milestones
- Scope shall also provide a schedule
- Example: Design has 4 major milestones
  - 1) Engineering Study
  - 2) Preliminary Design
  - 3) Final Design / PS&E (plans, specifications, and estimate)
  - 4) Bid Phase Services

Section #14



25



## Step #3 - NHDOT Review of Scope

### Optional but recommended

The NHDOT can review draft written scope of work (without hours or fee) for completeness



Can be helpful to identify missing tasks such as potential subconsultants needed for specialty work (historic or archeological for example)

Section #14



26




**S&F**  
**#4**

## Step #4 - Blank Task Matrix

### Matrix


### Bunches of Spreadsheets

- Consultant takes written scope and converts into a Task Matrix Spreadsheet
- Scope tasks are listed in the rows
- Labor types are list in the columns (Project Manager, Technician, etc...)
- **Hours and Profit remain blank – not included yet**



See handout for example matrix

Section #14



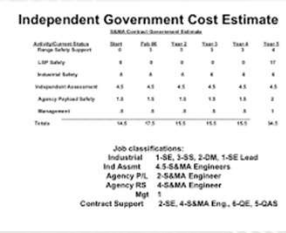
27

**S&F**  
**#5**


## Step #5 - Independent Government Estimate

### What is an IGE?

- Blank Task Matrix **filled in by LPA** (staff or qualified volunteers)
  - LPA **independently** estimates hours, % Profit, and total cost
- Consultant Provides:
  - Direct Expenses (mileage, etc...)
  - Indirect Expenses (overhead rate)
  - Sub-Consultant costs



Section #14



28



## Independent Government Estimate (IGE)

### Why?

- LPA needs to have a good level of understanding of the various tasks
- Check and balance system to make sure the estimate is reasonable
- It's required
- **IGEs are also required later in the process, if contract amendments are needed**

Section #14



29



## Independent Government Estimate (IGE)

### You can do it!

- It's an estimate – IGEs don't have to be perfect
- Hidden Resources – road agent, DPW, planners, selectmen, retired engineers can help, NHDOT can help too
- Just do it! thinking about it is more stressful than doing it

**See handout for example IGE spreadsheet**

Section #14



30


**S&F**  
**#6**


## Step #6 - Negotiation

- LPA's Task Matrix is Complete ✓
- Consultant's Task Matrix is Complete ✓

**LPA and Consultant then:**

- Share and review information
- Discuss tasks that vary significantly
- Come to a compromise and agree on final scope and fee
- **If no compromise, then request NHDOT to allow S&F process to begin with #2 ranked firm from QBS process (can't go back to #1)**




Section #14



31

**S&F**  
**#7**

## Step #7 - Document and Submit Request

- Document the Process
  - Initial draft written scope
  - Sponsor's IGE (filled in matrix)
  - Initial consultant fee proposal matrix
  - Description of negotiations
  - Final negotiated scope and fee
  - Draft contract with terms/conditions
- Send labeled documentation into NHDOT with official **request to enter into a contract** with consultant



Section #14


32



## Document and Submit Request

- NHDOT will review process and if appropriate, issue a letter approving scope & fee for recommended consultant
- Approval letter will list the dollar amount the LPA is approved to spend
- Any work done outside the approved scope or over the amount approved will not be reimbursed

Section #14



33



## Step #8 - Execute Contract

### **Include Employee Roster with:**

- Employee Names
- Labor Class (Project Engineer 1, ...)
- Direct Labor Rate (\$/hour)



Major changes to roster must be approved by NHDOT

Section #14



34

**S&F**  
**#8**


## Execute Contract

Also Include:

- Requirements pertaining to indemnification and insurance limits
- Ownership of plans and other documentation prepared by consultants

Documents that have been prepared for federally funded projects become the property of the Sponsor, NHDOT and FHWA

Section #14



35

**S&F**  
**#8**


## Execute Contract

Signed Copy

- Provide NHDOT a copy of the signed executed contract
- Preferably PDF


Remember - changes to the contract must be preapproved in writing by NHDOT or RATS the work will be ineligible for reimbursement!

Section #14



36




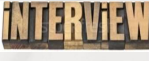






## 5 QBS Steps

**QBS Re-Cap:**


- 1) Know the rules
- 2) Advertise RFQ – Request for Qualifications
- 3) Review and rank SOQ's (Statements of Qualifications)
- 4) Interview 3 to 5 firms (optional)
- 5) Document QBS process and request NHDOT approval

**Section #13**







37




## 8 Scope and Fee Steps

**Scope & Fee Re-Cap:**

- 1) Know the rules
- 2) Consultant develops written scope of work
- 3) NHDOT reviews scope (optional)
- 4) Consultant develops blank task matrix

**Section #14**



38



## 8 Scope and Fee Steps

**Scope & Fee Re-Cap:**







- 5) Sponsor develops IGE –  
Independent Government Estimate
- 6) Negotiation
- 7) Document and submit request
- 8) Execute contract

Section #14



39




## End of Scope & Fee

**Project Status**

- Project Agreement Executed ✓
- Consultant selected and approved ✓
- Scope and Fee approved ✓
- Received Notice to Proceed to begin Engineering Study ✓

Sections #13 & #14



40

**S&F**

**Scope & Fee**

**Questions ?**

**Next Up:  
Engineering Study**

**RECOMMEND**

*New Hampshire*  
**DOT**  
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41