

**ACEC-SC Transportation Committee
ACEC-SC Professional Services Subcommittee**

MEETING SUMMARY

June 18, 2019

9:00 AM

SCDOT Headquarters

1. Attendees:

Darrin Player, SCDOT

Nick Pizzuti, SCDOT

Jennifer Necker, SCDOT

Shawn Epps, ACEC-SC

Bryan Webb, ACEC-SC

Gina Bennett-Norris, ACEC-SC

2. Items Discussed:

a) Timeline from Advertisement to NTP

Summary of Discussion: ACEC-SC asked if any progress was being made relative to reducing the timeline and what ACEC-SC could do to help reduce the timeline. SCDOT indicated that from their perspective the scope and fee development was the longest part of the timeline. As a result, SCDOT is working on the following items to try and shorten the timeline:

- Development of a scope template for bridge replacement projects that would limit the need for starting with a recent scope from a similar project.
- Development of a detailed scope and estimate prior to the RFQ being advertised.

SCDOT requested that consultants be more diligent and timely with scope and estimate development and bring staff and subconsultants to the negotiations that can respond to questions.

b) Second Segment of SCDOT Professional Services Procurement Process Being Developed by SCDOT

Summary of Discussion: SCDOT is still working on how to determine “Workload Capacity” of firms/teams responding to advertisements.

ACEC-SC requested that SCDOT keep in mind that the point in time when “Workload Capacity” is being measured by SCDOT will have a big impact on the results. For example, using the current approximate 8 month timeline from advertisement to NTP the “Workload Capacity” at the date of advertisement as compared to the date of NTP could be substantially different. SCDOT stated they intend to measure “Workload Capacity” at the date of selection.

SCDOT's goal is to have the "Workload Capacity" determination process in place and being implemented on advertisements by October 2019.

ACEC-SC reminded SCDOT that ACEC-SC wants to have the opportunity to review and provide comment on the "Workload Capacity" determination process prior to it being final SCDOT policy and prior to it being sent to and approved by FHWA. SCDOT stated that they would take that request under consideration.

SCDOT indicated that consultants could look at Virginia DOT's professional services selection process for a general idea of the "Workload Capacity" concept.

c) Bundle Advertisements

Summary of Discussion: ACEC-SC asked if SCDOT could provide some details regarding what SCDOT would expect from consultants responding to advertisements with bundled projects. For example, would SCDOT want responding firms to provide project approaches for all the projects in the bundle or would the responses be limited to qualifications only with no project approach required. SCDOT indicated that they were still working on the details associated with RFQs with bundled projects and requested that consultants send example RFQs from other states for SCDOT to review. Example RFQs can be sent to the following person at SCDOT:

Nick Pizzuti
Interim Director
Professional Services Contracting Office
803-737-1954
pizzutinc@scdot.org

d) References Requested in RFQ

Summary of Discussion: ACEC-SC asked if the references required in advertisements could be limited to the firms with staff identified as "Key Personnel" in an effort to cut down on the workload of the Professional Services Procurement Staff. SCDOT indicated that based upon a qualification-based selection and the fact that the entire team is being evaluated, SCDOT would like to keep the reference requirement in advertisements as is.

e) CEI On-Call Procurement:

Summary of Discussion: ACEC-SC explained that the current CEI On-Call contracts expire on or about October 2020 and requested that the procurement timeline for the CEI On-Call be setup such that there will not be a gap in contractibility between the current contract and future contract. ACEC-SC stated that if this gap occurs, it will have a significant impact on SCDOT and consultants. SCDOT acknowledged that the gap was problematic for all and indicate that they were already working on getting the CEI On-Call advertisement scheduled such that there would not be a gap.

f) Fixed Fee

Summary of Discussion: SCDOT explained that some consultants appeared to be unclear regarding the Fixed Fee concept associated with projects done via cost plus fixed fee with a cap. SCDOT offered the following clarifications:

- The fee is fixed when the contract is signed and fee beyond the fixed fee should not be invoiced for direct labor that exceeds the direct labor estimate included in the contract.
- The fee is fixed and should be invoiced 100% upon the completion of the scope of work regardless if the direct labor costs were less or more than the estimate included in the contract.

SCDOT indicated that they wanted to work towards segregating the fixed fee from the total amount to be paid to a consultant on a project so that it was clear that it was not just a blanket percentage of all direct labor costs on the project. SCDOT stated that they are considering requiring the fixed fee be invoiced as percent complete and not be shown on invoices as a percentage of direct labor. ACEC-SC suggested that another way to make this clear to all involved could be to clarify the current standard SCDOT contract language such that it clearly articulates the fixed fee concept.

SCDOT also stated that they wanted to adjust the calculation of the fixed fee by substituting the SCDOT established Statewide average overhead rate for the individual firms audited overhead rate. ACEC-SC stated that the effect of this concept on consultants given a constant fixed fee of 10% would be that firms with audited overheads lower than the Statewide average would receive more total compensation over and beyond direct cost and the consultants with audited overhead higher than the Statewide average would receive less total compensation over and beyond direct cost. SCDOT stated that this concept was already being used on the SCDOT CEI On-Call Contract. Shawn Epps stated that from his perspective as a small member firm of ACEC-SC that this concept amounted to discrimination against small firms doing business with SCDOT. Shawn Epps stated that a small business has less employees to spread their fixed costs over as compared to a large firm, so the audited overhead rate of a small firm is typically going to be higher than a large firm. SCDOT stated that they did not agree that the adjusted calculation using the Statewide average overhead rate amounted to discriminated against small firms doing business with SCDOT.

g) Task Reallocation

Summary of Discussion: SCDOT indicated that they wanted to clarify the details associated with moving funds between tasks on projects for Pre-Construction. SCDOT provided the following information regarding moving funds between tasks on Pre-Construction projects:

- All task reallocation requests must be made in writing. Requests should be made to the SCDOT PM and include justification.

- Transferring of hours from an existing task to cover justified projected overruns on another on-going task is allowable. However, once those funds have been removed, they will not be replenished by another task reallocation transfer or contract mod.
- When a request is made, an estimate must be provided of the requested transfer of hours. The consultant is not to go over this agreed upon amount and continue to transfer hours from various tasks without seeking further approval.
- Transferring from a future task that has not started is not allowable unless that task is deemed unnecessary. For example, if you had RR negotiations in the scope and then the project no longer includes work around the RR, those funds could be transferred. However, if the scope changes again through NEPA and we now have RR coordination, those hours will not be reinstated.
- As the project nears completion, we will entertain the use of remaining hours in a task to cover overruns with proper justification.

3. Schedule Next Meeting

Summary of Discussion: The next meeting is scheduled for August 13, 2019 at 9:00 AM at SCDOT Headquarters.