

Government of the District of Columbia

Department of Transportation



Office of Contracting and Procurement

District Department of Transportation Procurement Bulletin - A/E Services Schedule Solicitation DCKA-2017-Q-0003 Frequently Asked Questions

FROM: William Sharp, Chief Contracting Officer – Infrastructure

TO: DDOT A/E Schedule Participants

SUBJECT: A/E Schedule Frequently Asked Questions (“FAQ”)

DATE: 19 November 2017

The District appreciates the time each firm took in preparing its Statement of Qualifications for the DDOT A/E Schedule (the “Schedule”). As awards commence, the District recognizes there are many questions related to the award and utilization of the Schedule. To date we have already made a number of awards (60) in multiple categories and still have the remainder of Phase II categories to complete. We anticipate completely opening the Schedule in the next few weeks. We have been delayed in part by those Phase I firms that have not yet returned their executed contracts, so kindly make that task a top priority.

The purpose of this bulletin is to provide answers to commonly asked questions.

1) **How were Statement of Qualifications (“SOQ”) evaluated and what was the award process?**

Background

In accordance with the guidance of the Brooks Act, the Federal Acquisition Regulations (“FAR”), and District procurement laws and regulations, at least three panel members, recommended by the Chief Engineer and approved by the Contracting Officer (“CO”), were assembled to review the SOQs. The District received 835 SOQ submissions from 148 firms

across the 21 A/E service categories. In total, there were 15,468 pages of qualifications materials. For some categories, this was a quick process. For others, such as Category A (Roadway Design), D (Construction Engineering and Management Services), and R (Stormwater Management and Green Infrastructure Design) we received in excess of 60 SOQs (a high of 76 for Category D) for each of these categories. The process was considerably lengthened for these categories.

Below is the general process the District followed in making its source selection decision.

Individual Evaluations

The Technical Evaluation Panel (“TEP”) members first individually evaluated each SOQ in their category in accordance with the solicitation evaluation criteria. Each TEP member reviewed with comments noting each offeror’s strengths and weaknesses, and they rated and scored each factor.

The evaluation criteria were as detailed below for each Schedule category:

- 1) Professional qualifications necessary for satisfactory performance of required services, including professional qualifications of Key Personnel;
- 2) Specialized experience and technical competence in the types of work required;
- 3) Capacity to accomplish the work in the required time; and
- 4) Past performance on contracts with Governmental agencies and private industry in terms of cost control, quality of work, and compliance with performance schedules.

Care was taken to ensure evaluators did not make a comparative analysis or utilize their personal experience in developing their individual findings. A source selection software tool (named FedSelect) was purchased by DDOT/OCP to facilitate and add transparency to the evaluation process. Evaluators received training on the A/E process, the software and its operation, and A/E source selection procedures prior to the commencement of evaluations. At the conclusion of individual evaluations, all firms were initially ranked based on the individual evaluator scoring.

Scoring Range

To facilitate an efficient evaluation process, the District established scoring ranges using the individual evaluator scoring. This range established which firms would be evaluated through the scoring consensus process. If firm’s total score was within the highest scoring ranges, it meant only that the firm’s evaluation would continue through the consensus scoring process. For example, if the individual scores for a firm in a particular category were within the lowest 40% of the total high score for that category, there was no reason to take the submission through the consensus process because the individual scores indicated the firm would not be ranked Most Highly or Well Qualified for a given category.

Consensus

Consensus is the process in which the individual evaluators gather to discuss their ratings and comments and reach a consensus on the overall score for a particular submission. If a TEP

member disagrees with the consensus they are permitted to provide a dissenting opinion. (There were none for the A/E Schedule submissions.) For those firms in the scoring range indicating an initial scoring position among the top 20% to 50% of the highest score (depending upon the Category), a consensus meeting was held. During this meeting, the TEP adjudicated (i.e., reviewed and analyzed) all comments created during individual evaluations and rated all offerors as a panel. The consensus scoring determined the initial ranking of each firm. At the conclusion of the consensus meeting, the TEP chair prepared a Source Selection Recommendation (“SSR”), listing the firms recommended for award from Most Highly Qualified to Well Qualified and to Qualified. The TEP chair forwarded the SSR to the CO.

Source Selection Decision

Upon receipt of the SSR, the CO performed a comparative analysis of the firms and their panel scoring. Additionally, the CO considered the SOQ submissions, forecasted requirements, utilization records from the FY13 A/E Schedule, and other factors as necessary to develop the Source Selection Decision (“SSD”). Those firms listed in the SSD were notified via a Successful Offeror Letter. This is an ongoing process as we move through Phase II awards.

2) Will the District provide some form of debriefing for firms who were not selected for a category?

For those firms that were not determined to be among the Most Highly Qualified, a debriefing letter will be released as soon as practicable after all awards are completed. Each letter will contain details regarding the strengths and weaknesses (if any) of the qualifications presented for each category for which qualifications were submitted. For example, if a firm was not selected for two of five categories for which qualifications were submitted, a single debrief letter will be sent addressing evaluative comments for those two categories.

3) When will Task Orders (“TO”) begin to be solicited?

As soon as all contracts are awarded for a given Category, TOs may begin to be solicited. We anticipate this happening as early as the last week in November 2017.

4) What will the documentation requirements look like in Phase II for those firms awarded a contract in Phase I?

The successful offeror letter for Phase II will be modified for those firms that received an award in Phase I. It will contain details regarding the documentation required for Phase II. It is the District’s goal to not require duplicative documents. However, if a firm receives an award in Phase II that changes the labor categories for their contract, they will be required to submit additional documents related to the Phase II categories.

5) How will the Period of Performance (“PoP”) work for those categories awarded in Phase I versus those awarded in Phase II? Will they be the same or different?

The District believes it is in the best interest of all parties to have a seamless contracting process between Phases I and II. Therefore, when Phase II is rolled out, the Phase I categories will be revised for a single beginning and end date. The modification adding the Phase II categories will also revise the PoP to match. This will reduce the tracking of PoPs and ensure offerors do not mistakenly propose a base rate on one category but an Option Year I rate on another category.

6) Subcontracts and the A/E Schedule

Privity of contract exists only between the District and the prime contractor. The prime contractor is always responsible for the selection and management of their subcontractor relationships towards the successful completion of a project. Prime contractors should consider the TO scope, cost, DBE participation requirements, and any other unique requirements when assembling their team.

All A/E IDIQs contain a provision at I.7 SUBCONTRACTS requiring CO prior approval before issuing a subcontract. The CO will assess the capabilities of the proposed subcontractor to ensure their capabilities align with the type of work required under the TO. Please note, being a participant on the A/E schedule is not a contractual prerequisite to be a subcontractor. If a subcontractor was proposed as a part of the qualifications evaluated in response to the RFQ, this requirement has been met. If a contractor intends to issue a subcontract during the performance of the TO, prior approval from the CO is needed.

7) How will the TO process work?

Source selection procedures, at the Schedule contract level and fair opportunity procedures at the TO level, are guided by applicable Federal and District regulations and laws (e.g., Brooks Act). It is the District's goal to foster a competitive environment that gives fair opportunity to all participants and provides industry transparency in the process. Below are the guiding principles that will be implemented through the TO procedures.

NOTE: The below describes the process at the Category level. These processes will be siloed in each Category of A/E service. This means a firm might be selected to compete for multiple requirements at the same time if they are in different Categories. However, the contract ceiling limitation applies across all categories.

1. The project manager develops the requirements document (sow, pws), the Independent Government Estimate ("IGE" or "Engineer's Estimate"), and identifies the funding sources;
2. The project manager submits a TO request in ProTrack+ (the District's project management tool);
 - a. This request identifies the Category of A/E services where the preponderance of the work resides;

- i. The category containing the preponderance of the work determines which firms are eligible to compete; (based on IDIQ awards).

3. Steps and Checks in Determining the pool of firms

- a. All firms will be given a chance to compete for a requirement before any given firm is given a second opportunity. In order to avoid the same firms competing, this will be done on a randomized basis (random number generator). See **Illustration 1** below.

Illustration 1 Company Name	Opportunity #1			Opportunity #2			Opportunity #3		
	Award?	Chance Count	*In Pool?	Award?	Chance Count	*In Pool?	Award?	Chance Count	*In Pool?
Company A	No	1	Yes		1	No		1	No
Company B			Yes	No	1	Yes		1	No
Company C	Yes	1	Yes		1	No		1	No
Company D			Yes			Yes	Yes	1	Yes
Company E			Yes	No	1	Yes		1	No
Company F			Yes	Yes	1	Yes		1	No
Company G			Yes			Yes	No	1	Yes
Company H			Yes			Yes		0	Opp 4
Company I			Yes			Yes		0	Opp 4
Company J			Yes			Yes	No	1	Yes
Company K	No	1	Yes		1	No		1	No

Illustration 1 – Color Key
 Blue: Competing in the current opportunity.
 Grey: Previously competed for an opportunity.

* Note: it does not matter whether a firm wins the award. We are tracking opportunities to compete, not awards.*

As of Requirement 3, all firms but Company H and Company I have been a selected for an opportunity to compete. Therefore, these two firms will compete for Opportunity 4. Since all firms have now been given a chance to compete, the third firm for Requirement 4 will be selected at random from all remaining firms in the Category. This starts the order of selection over.

- b. Prior to determining who is in the pool of available firms, the system will verify sufficient contract ceiling is available to accommodate the IGE. If there is not, the firm will not be included in the pool even if they would otherwise be eligible. The firm will remain in the pool until a requirement with an IGE that can be accommodated by their remaining ceiling is solicited.

4. Firms will be sent a Request for Qualifications

5. Qualifications will be evaluated and the Most Highly Qualified firm determined.
6. Request for TO Proposal will be sent to the Most Highly Qualified firm.
7. Level of effort and price negotiated. If a fair and reasonable price cannot be negotiated, the District will initiate negotiations with the next highest ranked firm.
8. TO award.
- 8) **How will the District publicize each TO competition? What considerations are given to subcontracting?**

Once the competitions have been established for a requirement, the District will publicize which prime contractors are competing and will provide the requirements document (SOW, PWS) on the DDOT DTAP site and OCP's solicitation site (OCP webpostings).

To facilitate open communications among prime contractors and the industry base, a subcontracting clause will be incorporated into all A/E Schedule IDIQs. The clause requires potential subcontractors to communicate their interest in subcontracting opportunities using the DTAP. This will be done using the A/E Subcontracting portal (New in DTAP!). Here prime contractors and potential subcontractors will communicate regarding the opportunity and possibility of participating on their proposal team. The clause will require all A/E contract holders to respond to subcontractor inquiries within 3 days and appoint a subcontracting POC responsible for responding. More details will be provided soon.

9) **How do contract options and the contract ceiling work?**

Option Periods

The exercising of contract options is the unilateral right of the District. (27 DCMR 2099.1) In deciding to exercise a contract option, the Contracting Officer may consider:

- 1) Availability of funds
- 2) The extent to which the option fulfills an existing District requirement
- 3) The availability of alternative methods to fulfill the requirement
- 4) The contractor's current responsibility
- 5) The contractor's past performance evaluations on other contract actions
- 6) The contractor's current performance on the contract

If in assessing the above, it is in the District's best interest to exercise the option, the CO may exercise your option. The reasons for not exercising an option may be as simple as the District forecast for a given category does not demonstrate a continued need for the number of originally awarded firms.

Contract Ceiling

Each term contract must specify the minimum and maximum quantity of services the District will acquire under the contract. (Local: 27 DCMR 2416.10 & Federal: FAR 16.504(a)(4)(ii)) The ceiling represents a minimum and maximum liability to the District. The contract ceiling also serves to create equal possibilities for all firms on the A/E schedule. Contractors are only entitled to the minimum quantity defined by the contract. The amount of ceiling remaining at the end of each performance period is the result of the quantity and value of awards made during the performance period.

For each task order competition, a firm's ceiling will be reserved once the requirement has reached OCP in ProTrack+. After the technical evaluations are complete and the Most Highly Qualified firm determined, the ceiling for all firms not receiving an award will be credited.

The ceiling amounts will be the subject of a separate message.

10) New IDIQ Provisions added in full text

The District has added additional provisions to the A/E IDIQ. Most of the changes intend to provide the District the necessary means to administer an audit program for A/E contractor overhead rates. All firms will be receiving an updated version of the IDIQ for signature prior to the award of their IDIQ. The provisions below are in full-text for your convenience, but all offerors should read the contract in its entirety prior to signing.

- G.3.3.1 For Consultants with a field and home office indirect cost rate, the Consultant shall state in their proposal which rate applies based on the preponderance of the work location.
- G.3.3.2 For Consultants with a unitary rate, the District reserves the right to require project specific rates that reflects the causal-beneficial relationship between the Consultant's activities in the field and the pool of costs being reimbursed, and in accordance with 27 DCMR § 3313. Such rates will take precedence over the same audit rate for the period. Such rates may be documented using an advance agreement.
- G.3.6 Consultant's compensation, when based on hourly rates, shall be the total of DSE, approved indirect cost rate, and profit, each as defined herein. Loaded fixed hourly rates, as defined in the previous sentence, must be included for each of the key personnel positions identified in Attachment J.5 as well as for all personnel in other work classifications which may be necessary to perform the task orders. The Consultant shall provide a loaded fixed hourly rate for the base year. If an option is exercised, fully loaded rates will be submitted at the time of the exercise of that option.
- G.3.8.1 Types, rates, and amounts of allowable ODCs, if any, shall be negotiated for each task order. ODCs, if allowed, shall be subject to a maximum amount.

- G.3.8.2 Non-salary direct costs shall include purchase and rental of all materials, supplies, and equipment necessary for the performance of the services on each assignment and cost of outside professional consulting or contracting services, all at invoiced cost to the Consultant, plus the cost of communications and reproductions directly chargeable to the project, plus necessary travel and per diem expenses. The purchase cost of all materials, supplies and equipment, which are not for the exclusive use in providing the services included in this Agreement, are not allowed as non-salary direct costs and shall be included in the Consultant's overhead. These items include, but are not limited to, fax machines, copiers, computers, software, refrigerators, coffee makers, microwave ovens, cellular phones, pagers, helmets, tape measures, fire extinguishers, and professional books and references.
- G.3.8.3 The cost of motor vehicle rentals and the cost of common carriers shall be the actual cost incurred. The cost of motor vehicle leases and rentals shall be the actual cost incurred, subject to audit. Leases must be supported by bona fide documentation from the leasing company and will only be allowed from established companies in the business of leasing vehicles.
- G.3.8.4 For use of personal or company owned vehicles, the reimbursement rate per mile stipulated in the cost proposal, shall be the General Services Administration ("GSA") Privately Owned Vehicle mileage reimbursement rate published at the time the cost is incurred.
- G.3.8.4.1 The Consultant shall maintain a mileage log for each project. The Consultant shall submit the project mileage log to the District with each invoice and upon request from the Contracting Officer.
- G.3.8.5 For personnel in travel status, reimbursement of actual expenses up to the maximum amount per day will be allowed for meals and hotel. The allowable amount shall be GSA's per diem rates published for the performance location at the time the cost is incurred. Travel must be approved in advance and in writing by the District.
- G.3.8.6 Costs of time applied and charged directly to each assignment of the services of special outside consultants, contractors, or drafting services shall be included in non-salary direct costs at rates stipulated in the proposal.
- G.3.8.7 Invoiced cost to the Consultant of all technical computations for each assignment performed by outside commercial electronic computation services shall be included in non-salary direct costs.
- G.3.9 Overtime Premiums

The use of overtime is authorized under this contract if the overtime premium does not exceed an amount approved by the Contracting Officer for work:

- (1) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;
- (2) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;
- (3) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or
- (4) That will result in lower overall costs to the District.

All requests for estimated overtime premiums shall include all estimated overtime for contract completion and shall:

- (1) Identify the work unit; *e.g.*, department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit the Contracting Officer to evaluate the necessity for the overtime;
- (2) Demonstrate the effect that denial of the request will have on the contract delivery or performance schedule;
- (3) Identify the extent to which approval of overtime would affect the performance or payments in connection with other District contracts, together with identification of each affected contract; and

Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

G.3.12 If subcontract work or equipment rental is necessary under this Contract, these shall be billed at cost (including direct and indirect costs, overhead, and profit), plus a negotiated administration fee, if any, in accordance with Section G.3.1. The billing rates shown in Section J.1.4 include DSE, approved indirect cost rate, and Contractor's profit or fee.

G.3.13 The Contractor and subcontractor's indirect cost rates will be subject to review and audit by DDOT and FHWA for the life of the Contract. A subcontractor is an independent contractor providing services to and under direct contract to the Contractor for a portion of the Contractor's negotiated services for individual Task Orders issued by DDOT. If such an audit finds that the accepted indirect cost rate (the rate applied to DSE in calculating the loaded fixed hourly rates for this contract) is unjustified, the loaded fixed hourly rates for the Contract will be recalculated using the indirect cost rate supported by the audit and the amounts payable under this

Contract will be changed accordingly. Hourly billing rates consist of the sum of approved DSE, approved indirect cost, and allowable profit or fixed fee for each classified employee.

- G.3.13.1 Certified Audit Report. The Consultant and its subconsultants are required to submit Indirect Cost Rate audits on an annual basis within six months of the end of the Consultant's fiscal/calendar year. The report must be prepared in accordance with Federal Acquisition Regulations Subpart 31.2 following the format outlined in the Uniform Audit and Accounting Guide prepared by the American Association of State Highway and Transportation Officials, as it may be updated. The District reserves the right to approve all Indirect Cost Rates and adjust billing rates on all subsequently issued Task Orders accordingly. Increases in billing rates due to Indirect Cost Rate increases are not a basis for an increase when the basis of the fee is a fixed price, or when the fee is subject to a maximum amount of compensation payable.
- G.10 SUBCONTRACTOR ENGAGEMENT – ARCHITECT AND ENGINEERING (A/E) SCHEDULE
- G.10.1 This Section G.10 applies when the Consultant is selected to compete for a task order. So as to facilitate industry base participation to the maximum extent, the District will post each task order and the names of the firms selected to compete for the task order.
- G.10.2 Prior to award, the awardee shall provide a point of contact (“POC”) responsible for responding to all subcontractor inquiries related to the opportunities afforded under the A/E schedule.
- G.10.2.1 A subcontract POC will be maintained throughout the life of the contract. The POC may be an individual or an email box. If the POC changes during performance, the contractor shall notify the District within seven calendar days.
- G.10.3 All A/E schedule holders shall reply to subcontractor inquiries received via email to their designated POC in Section G.10.2 within three business days of receipt. Regardless of whether the firm has selected all applicable team members for a requirement, a reply must be sent to all subcontract inquiries.
- G.10.4 The District may, upon notification of non-reply to a subcontract inquiry pursuant to Section G.10.3, require the contractor to provide documentation of their timely reply.
- G.10.5 The extent of compliance or non-compliance with this Section G.10 will be captured in the past performance evaluation.

11) How are the insurance requirements managed on the A/E Schedule?

The Clause at I.8 – Insurance represents the minimum insurance requirements for every TO. At each TO, the District Office of Risk Management (“ORM”) will evaluate the requirement to determine the specific risks associated with the project. This may result in additional coverages

being required. When the RFP is transmitted to the Most Highly Qualified firm, it will contain a supplemental provision outlining any additional insurance requirements specific to that TO.

12) How will performance be documented and evaluated for each TO?

The project manager and contract administrator, in coordination with all District stakeholders, will provide performance feedback for each TO in key areas of the project. These may include:

- Quality
- Schedule
- Cost Control
- Business Relations
- Management
- Making required good faith efforts for DBE Goals; or meeting CBE subcontracting requirements
- Other Areas

This data will be stored in PTP to be used in determining a firm's eligibility to have A/E option years exercised and in the evaluation of past performance of future offers. Evaluations will be shared with the contractor.

13) How does the Direct Salary Expense (DSE) reimbursement process work?

Each A/E basic contract (Schedule IDIQ) contains a provision at G.3 – Payment describing the DSE requirements. The highlights of the requirement are discussed below.

In order for prime contractors to comply with the DSE requirement, it must be included in all subcontracts.

Once rates in the basic contract are accepted, TOs are issued utilizing these rates. Since they have already been determined fair and reasonable, this reduces the administrative burden at the TO level.

The District does not accept Labor Category rates for reimbursement under A/E contracts as they do not comply with G.3 in the basic contract.

Compensation (G.3.5)

Consultant's compensation, when based on hourly rates, shall be the total of DSE, approved indirect cost rate, and profit, each as defined herein. The loaded fixed hourly rate must include a rate for all the key personnel categories identified in Attachment J.1.5 as well as other work classifications which may be necessary to perform the task orders.

Indirect Rates (G.3.9)

Prime and subcontractor indirect rates are subject to review and audit throughout the life of the contract.

Rates Not Originally Included in the Contract

Whether a new person is hired or a new subcontractor is incorporated into your TO team, the DSE requirement remains. If this occurs, offerors will be required to submit the same documentation to meet the DSE requirement.

Updating DSE Rates Annually (G.3.2)

The District recognizes that the timing and amount of customary salary adjustments are a business decision of the company. In order to facilitate a seamless adjustment process that minimizes the administrative burden, each IDIQ contract contains the below provision.

G.3.2 The Contractor may provide for an annual adjustment of DSE rates in accordance with Consultant's usual and customary annual salary adjustment process, except that such rates may not increase by more than a percentage equal to an increase for the same period in the Consumer Price Index for all Urban Consumers (CPI-U).

This adjustment will only occur at the exercise of Option Years, and it will be capped at the Annual CPI index for Washington/Baltimore. The DSE rates for the base period of performance are fixed. The following example is provided to illustrate the process.

At each Option Year, the District will calculate the allowable maximum DSE adjustment and corresponding DSE adjustment as follows:

<u>Change in CPI</u>		<u>Calculating the Allowable DSE Adjustment</u>				
Wash/Balt CPI Annual - 2015	155.353	Name	Labor Category	Base Period DSE	Period CPI Factor	Max Option Period I DSE
Wash/Balt CPI Annual - 2016	157.180	Employee A	Civil Engineer	\$62.00	1.18%	\$62.73
Allowable Salary Increase	1.18%	Employee B	Traffic Engineer	\$58.00	1.18%	\$58.68
		Employee C	Architect	\$81.00	1.18%	\$81.95
		Employee D	Senior Engineer	\$95.00	1.18%	\$96.12

According to the above, if a company gives a 1% raise to an employee, the DSE salary would be adjusted at Option Year I to reflect a 1% increase. If a company gives a 4% raise, the Option I DSE adjustment would be capped at 1.18%. This results in 2.82% of unallowable salary increases for the base period that will be the burden of the contractor.

When the District sends the Notice of Exercise of Option, we will request an updated DSE. When the Option Year is exercised, the new DSE rates will be incorporated into the contract via modification.

DDOT understands this bulletin will not answer all participant questions, but requests continued patience as we strive to make the A/E procurement process as transparent and equitable as possible.

If you have any questions regarding this bulletin, please contact Jeralyn Johnson, Contracting Officer at 202-671-2277 or jeralyn.johnson@dc.gov or Kyle Cox, Contract Specialist - Contractor at 202-671-2282 or kyle.cox@dc.gov.

