

CHAPTER 8

Contracts

Overview

This chapter provides guidelines to Engineering Services Division staff on the application of the City's API Nos. 47 and 48 relating to professional services and construction contracts. The guidelines outline standardized procedures to be followed by the Division in implementing the policies set forth in the APIs, and clarify the Division's implementation policy and the roles and responsibilities of staff involved in the development, award, and administration of contracts. The Chapter covers the following topics:

- Consultant Selection
- Pre-Selected Consultants
- Master Services Contracts
- Sole Source Contracts
- Negotiating Contracts
- Execution of Consultant Contracts
- Project Participation Requirements (DBE/ESBE/MWBE)
- Bidding & Awarding Construction Contracts
- Execution of Construction Contracts
- Bid Protests
- Claims Hearings
- Labor Compliance
- Execution of Change Orders & Supplemental Agreements

It is the Division's intent to ensure that all processes for the award of transportation contracts are inclusive, fair, competitive, and transparent.

Section 8-1 Consultant Selection

PURPOSE

This section establishes Division policy on consultant selection procedures, including the issuance of RFPs and RFQs, pre-proposal meetings, forming selection panels, scoring and ranking proposals, negotiations, and debriefings.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CS	Contract Services
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
PM	Project Manager
RFP	Request for Proposals
RFQ	Request for Qualifications
SCC	Sacramento City Code
SHRA	Sacramento Housing and Redevelopment Agency
SOQ	Statement of Qualifications

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

The selection of consultants for DOT projects is to be in accordance with the City's API No. 47, the provisions of this Section, the SCC, and State and Federal grant fund requirements where applicable. If other funding sources are used, all applicable clearances and requirements of that funding source are to be followed.

All RFPs and RFQs for contracts \$25,000 or more are to be formally advertised. Proposals for contracts under \$25,000 may be informally solicited.

Proposals are to be received by the deadline noted in the RFP/RFQ in order to be considered responsive to the advertised solicitation. All proposal submissions are to be date and time stamped by the DOT receptionist upon receipt. All submissions are to be logged in and safeguarded by the receptionist and hand delivered to the Contracts and Compliance Specialist at the time of closing of the solicitation period.

The method of payment for professional services is to be cost plus fee with a not-to-exceed amount. Other methods of compensation can only be used with prior Section Manager approval.

The selection of consultants for work on DOT projects is to be fair, competitive, and transparent. All parts of the selection and award process are to be clearly documented and filed in the project records.

For formal RFP/RFQ solicitations, the PM may not participate on the consultant selection panel as a voting member but can serve as a technical advisor to the panel and as a facilitator for the selection process.

AUTHORITY

Authority to select consultants for contracts valued at or above \$100,000 rests with the City Council. Authority to select consultants for contracts under \$100,000 rests with the City Manager or the Director of DOT.

SELECTION METHODS

The Engineering Services Division generally uses three methods for selecting consultants: an informal RFP for contracts under \$25,000; a formal RFP for project specific contracts over \$25,000; and a RFQ for Pre-Selected Consultant Lists and Master Services Contracts.

Informal RFP – Under \$25,000

Solicitations for informal RFPs may be done for City funded projects only, and can be done by phone, e-mail, letter or fax. A consultant selection panel is not required for the informal process. The PM must obtain at least three (3) proposals with a sealed cost estimate for services from qualified consultant firms. Cost proposals will be retained by CS staff until all proposals are ranked by the PM and a determination of the best qualified firm has been made. CS staff will determine responsiveness of all proposals received to the RFP requirements. Two (2) of every three (3) proposals obtained must be from Emerging and Small Businesses (E/SBE) as certified by the City's Office of Small Business Development or the State of California Department of General Services. The Bid/Proposal Worksheet (Attachment 1) must be used to document the solicitation process for the project records.

Formal RFP – \$25,000 or More

Under this method, proposers are required to submit a technical proposal in response to the City's solicitation. This formal selection process requires the formation of a consultant selection panel as discussed further in this Chapter. Major elements of proposals typically include:

- A statement of the project manager's experience on similar projects, the

qualifications of the project team, and the availability of each team member to work on the proposed project.

- The team's understanding of the project, methodology and approach.
- A detailed project work plan with hours for each team member, including subconsultants, for each task.
- A detailed project schedule with completion date for each deliverable.
- Professional references for the proposed PM from the client's PM for the last three projects managed by the proposed PM.
- Any concerns the consultant may have with the terms of the proposed standard City consultant contract.
- A separate, sealed cost proposal and fee is required to be submitted with the technical proposal. The sealed proposal is to include:
 - Work hours for each team member, by task, and total work hours by all team members for each task.
 - Billable rates of each member of the project team.
 - A breakdown of direct costs, profit, indirect rate, and estimated reimbursable expenses. No markups for managing subconsultants will be allowed. These costs should be reflected in work hours, as necessary and appropriate.
 - Project cost estimates and fee from each subconsultant on the project team for his/her portion of the work to the level noted above.

RFQ

Under this method, proposers are required to submit a SOQ describing the firm's ability to provide the services requested in response to the City's solicitation. This formal selection process requires the formation of a consultant

selection panel as discussed further in this Chapter.

A RFQ is used for the following three purposes:

1. As a preliminary step to identify qualified consultants to further participate in the selection process by submitting project specific proposals;
2. To establish a list of pre-selected consultants to be used on an on-call basis as project work becomes available. Under this selection method, a rotating list of consultants are individually placed under contract only as needed for short term project work under \$100,000; or,
3. To select qualified consultants to enter into a Master Services Contract (MSC) for a predetermined not-to-exceed amount.

RFQs do not require a sealed cost proposal or a project specific technical proposal and work plan. Major elements of SOQs typically include:

- A statement of the firm's project manager's experience on similar projects, the qualifications of the project team, and the availability of each team member to provide the services requested.
- The team's methodology and project approach.
- Professional references from the client's PM for the firm's project manager and key team members for the last three projects managed.
- Any concerns the consultant may have with the terms of the proposed standard City consultant contract.

Advertising Period

A minimum advertisement of seven (7) calendar days on the City website is required for RFP/RFQs. However, three (3) to four (4) weeks of advertisement are typically required for RFP/RFQs, depending on the complexity

and extent of the services requested and the funding source requirements.

RESPONSIBILITIES

Project Manager

- Determines whether to design a project with in-house staff or use a consultant in consultation with the Section Manager.
- Determines the appropriate consultant selection method for the specific project/service needs.
- Prepares the project specific technical requirements for the RFP/RFQ and submits to CS staff.
- Reviews all final RFP/RFQ documents for accuracy prior to advertisement. Changes to RFP/RFQs can only be made through an addendum. Initiates all addenda to be issued.
- Organizes and convenes a pre-proposal meeting, if required.
- Provides information to prospective consultants on technical and procedural issues, as needed, during the preparation of proposals.
- Assembles and convenes a Consultant Selection Panel, provides instruction to the panel regarding scoring and ranking of proposals, serves as a technical advisor and staff to the panel, and facilitates all aspects of the selection process.
- Conducts all consultant reference checks and reports results to the panel.
- Documents the consultant selection process and forwards all original records to CS staff for the project file.
- Conducts debriefings with consultants not selected, upon request.
- Negotiates a project Scope of Work, fee schedule, and project schedule with the top ranked consultant.

- Completes and signs the RFP/RFQ Processing Checklist (Attachment 2).

Contract Services

- Develops the RFQ/RFP after receipt of the project specific technical requirements from the PM.
- Coordinates posting of the RFP/RFQ and subsequent addenda received from the PM to the City's website.
- Receives all RFP/RFQ submissions and cost proposals, and reviews each submission received for conformance with time submission, project participation requirements and other critical RFP/RFQ criteria as noted in the Proposal Review Checklist (Attachment 3). Proposals that do not meet these requirements are to be determined non-responsive to the RFP/RFQ.
- Forwards copies of RFP/RFQ submissions to the PM for selection process.
- Completes and signs the RFP/RFQ Processing Checklist (Attachment 2).
- Maintains records documenting the project consultant selection process for the project file.

PRE-PROPOSAL MEETINGS

For large projects (over \$250,000 in consultant fees), complex projects or those with critical or unique issues, the PM may schedule and facilitate a pre-proposal meeting. Pre-proposal meetings are required for all projects receiving federal aid (FHWA pass-through or CDBG funding). For all other projects, pre-proposal meetings are optional. The pre-proposal meeting should be held within 7-10 days of the RFP advertisement. Proposers should be encouraged to attend these meetings, but cannot be required to do so.

The PM may provide project specific information to proposers upon request, at any time, as long as the information is provided to all proposers. All communication should be in

writing. In the event the information exchanged with a proposer materially changes the scope of the requested services, the PM is to issue an addendum to all prospective proposers to alert them of the changes. All communications with consultants during the selection process are to be thoroughly documented and shared with the selection panel.

CONSULTANT SELECTION PANEL

The selection panel for scoring and ranking the written proposals and interviews is to be selected by the PM in consultation with the Section Manager and/or the Division Manager. The PM may not serve on the panel. The panel should be composed of a diverse representation of stakeholders and technical experts from the following areas:

- Community or business stakeholder(s).
- Representative(s) of elected officials.
- Staff from the Engineering Services Division.
- Individual(s) from another agency or department.

The panel should also reflect the City's policy and commitment to inclusion and diversity.

Panel members are to be instructed by the PM to conduct themselves in a fair and impartial manner. At no time should any panel member engage in discussion or sharing of information with consultant firms being evaluated during the RFP/RFQ selection process or with any firm or individual with a vested interest in the outcome of any selection made.

Typically a minimum of five (5) members should serve on the panel for all formal RFPs that will result in services valued over \$250,000. For project-specific RFPs between \$25,000 and \$250,000 in value, and RFQs, a minimum of three (3) members must serve on the panel.

SCORING AND RANKING OF PROPOSALS

The Consultant Selection Panel is to score and rank each proposal based on the written

technical proposal, results of the reference checks, and the interview using the evaluation criteria and score weighting outlined in Attachment 4 - Design Services, or Attachment 5 - Construction Management Services. For other services, the general evaluation categories in either Attachment 4 or 5 should be used along with their respective score weighting, but modified for the services required.

Interviews are to be conducted for all formally advertised RFPs unless specifically waived by the Division Manager. The Division Manager, at his or her discretion, will only consider waiving the interview if the panel is unanimous that the interview will not likely change the outcome. The PM is to document the rationale in all such cases.

Interview questions are to be prepared in advance by the PM and shared with panel members prior to scheduled interviews. To ensure fairness and consistency, panel members should ask the same questions of all firms interviewed. Panelists, however, will have some latitude, as situations warrant, to ask clarifying questions in order to accurately document an interviewee's response to a specific question.

The consultant firms with the top three (3) highest point scores on the written proposals are to be invited to participate in the interview. Additional firms should be interviewed if their point scores are tightly grouped with the top three firms.

The PM is responsible for conducting consultant reference checks in accordance with the interview template in Attachment 6. The results of the reference checks are to be distributed to and discussed with the panel at the time of the interviews. The panel members are to decide the number of points to assign for references in their point scoring of each firm. The number of points to be given for references is 10% of the total, or 10 points. It is suggested that the panel use a deductive scoring methodology, i.e. deduct points for any references which cannot be reached, relevance of previous assignment to the RFP, negative

performance results reported, or negative comments made.

After the interviews have been completed, each panel member is to assign a rank (i.e. first, second, third, etc.) to each firm based on the points received by each firm. The PM will assign rank points (i.e., 1 point for first ranked, 2 points for second, 3 points for third, etc.) and total the rank points for each firm. The firm with the lowest total rank points will be the top ranked firm. Panel members may adjust the points given to a firm as they deem necessary prior to final submission to the PM. Once the points and rankings are submitted to the PM, they are not to be changed. The PM is to use Attachment 7 to tabulate the scoring and assign rank points.

The PM and Section Manager will present the panel recommendation to the Division Manager along with all scoring documentation to support the recommendation. If the panel decision is accepted, negotiation with the top-ranked firm will commence. If issues arise with the selection process, they will be taken back to the panel for review and resolution on a case by case basis. At the conclusion of the selection process, the PM is to notify all consultants in writing of the determination of the panel by providing the name of the top ranked firm. Consultant rankings are not to be provided in the letter but may be given out orally upon request by a consultant. See sample selection letter, Attachment 8.

NEGOTIATION WITH TOP RANKED FIRM

Once final ranking has been completed, the PM will enter into negotiations with the top ranked firm to reach agreement on the final scope of services, hourly rates, reimbursable expenses, fee, time commitments of the project manager and other key individuals, project schedule, and not to exceed contract amount (See Section 8-5, Negotiating Contracts). If agreement cannot be reached with the top ranked firm, the PM is to document the issues and consult with the Section Manager on whether to start negotiations with the second ranked firm.

Once agreement is reached with the selected firm, a Scope of Services, fee schedule and consultant contact information is to be provided to CS staff for development of a consultant contract with that firm.

DEBRIEFINGS

Debriefings can only be conducted with participating consultants after a contract has been completed and executed with the selected firm.

Rankings and overall strengths and weaknesses in proposals may be discussed in general terms. No quantitative scores, individual panel member rankings, or comments made by the selection panel are to be shared with consultants.

All proposals and selection panel documents and records are to be kept confidential and stored in the project files. Consultant requests for written RFP/RFQ documents should be promptly referred to the City Attorney for handling.

ATTACHMENTS

- Attachment 1: Bid/Proposal Worksheet
- Attachment 2: RFP/RFQ Processing Checklist
- Attachment 3: Contract Services Proposal Review Checklist
- Attachment 4: Evaluation Criteria Worksheet (Design Services)
- Attachment 5: Evaluation Criteria Worksheet (Construction Management Services)
- Attachment 6: Reference Check Question Worksheet
- Attachment 7: Sample Tabulation Sheet
- Attachment 8: Sample Selection Letter



Bid/Proposal Worksheet

Project Title & Number: _____

Project Manager: _____

Project Description: _____

Contract Amount: \$ _____ **Date:** _____

_____ Construction _____ Consultant Services

Contractor/Consultant Name: _____

The selected Contractor/Consultant is:

_____ Emerging _____ Small _____ Local _____ None

Selection Process Used:

- ___ Informal selection based on: qualifications, experience and past performance, and best response to project scope and proposal requirements. (Consultant Contracts < \$25,000)
- ___ Requested informal pricing from at least three contractors (Construction Contracts < \$25,000)
- ___ Selected using formal RFP
- ___ Selected from Pre-selected Consultant List
- ___ From Council approved Master Services Contract
- ___ Sole Source – Sole Source Justification Form reviewed by Division Manager and approved.

Bids / Proposals Received & Goal Participation (use additional sheets if necessary):

Contractor/Consultant	Phone #	\$ Bid	EBE?	SBE?	Local?	EBE%	SBE%
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

ATTACHMENT 2

RFP/RFQ Processing Checklist

This form is to be completed by the PM and CS staff assigned and filed in the project records.

Task	PM Initials	CS Initials	Comments
PM has submitted all information necessary to develop an RFP or RFQ, including all project funding sources to CS staff.			
All grant fund forms, conditions and restrictions have been incorporated in the RFP/RFQ by CS staff.			
Final QC review of RFP/RFQ completed by PM.			
Posted to City website.			
Panel members have been selected and selection schedule, RFP/RFQ, proposals, and scoring sheets with instructions have been transmitted.			
Pre-proposal meeting scheduled by PM within 7-10 days of posting RFP/RFQ.			
CS staff has reviewed all proposals for responsiveness to RFP/RFQ requirements.			
Cost proposals/fee schedules have been retained by CS staff until all proposals are scored and ranked by the consultant selection panel.			
Panel's scores have been correctly tabulated by the PM and correlate with the rankings given.			
All proposers have been notified of results.			
The selection process has been documented and all materials have been given to CS staff for the project records.			

Section Manager _____ Date _____

Contract Services Proposal Review Checklist

The following items are required for the submitted proposal to be determined responsive to the RFP/RFQ.

Included

(√)

- Proposal received by submittal deadline.
- Statement of Qualifications of Project Team.
- Project Work Plan.
- Project Schedule (if required).
- References from three of the most recent projects worked on.
- Cost Proposal/Fee Schedule is in Sealed Envelope.
- E/SBE Subcontractor Form for City-funded Projects.¹
- M/WBE Requirements Package for CDBG-funded Projects.
- List of Subcontractors for FHWA-funded Projects.²

Reviewed by _____

Date _____

¹ Certification information is due no later than close of business two (2) working days after proposal due date.

² Certification information is due no later than close of business four (4) working days after proposal due date.

Evaluation Criteria Worksheet (Design Services)

WRITTEN PROPOSAL	MAXIMUM POINTS	REVIEWER SCORE
Introductory Letter – Reflects project understanding and summarizes critical issues, challenges, milestone tasks, and appropriate resourcing.	5	
Project Team – Team organization, qualifications and experience of the firm, project manager, team, and subconsultants on similar projects. Experience with City, State and Federal projects and procedures.	20	
Availability – Key personnel are available and committed to the project.	5	
Work Plan – Assignment, understanding, and organization of tasks, understanding of interrelationship of critical tasks, hour commitment to each task, deliverables.	20	
Quality Control – Consultant’s internal controls, communications with City are adequate and timely, assurance for complete submittals.	5	
Schedule – Adequacy and reasonableness of schedule and deadlines.	5	
SUBTOTAL	60	
REFERENCES – See worksheet.	10	
SUBTOTAL TO INTERVIEWS	70	
INTERVIEW		
Presentation by PM – Project understanding, critical issues, innovation, and solutions.	10	
Presentation by Team – Experience, roles and responsibilities, communication and coordination between team members, agencies, and City.	10	
Q&A – Response to panel’s questions.	10	
SUBTOTAL WITH INTERVIEWS	30	
TOTAL (Add 5 points for E/SBE prime on City funded projects only)	100 (105)	
RANKING OF CONSULTANT FIRM (assigned after completion of scoring)		

Panel Member Name _____ Consultant Firm _____

ATTACHMENT 5

Evaluation Criteria Worksheet (Construction Management Services)

WRITTEN PROPOSAL	MAXIMUM POINTS	REVIEWER SCORE
Introductory Letter – Reflects project understanding and summarizes critical issues, challenges, milestone tasks, and appropriate resourcing.	5	
Project Team – Team organization, qualifications and experience of the firm, project manager, team, and subconsultants on similar projects. Experience with City, State and Federal projects and procedures.	30	
Availability and Resourcing – Key personnel are available and committed to the project. Job/phases are not overstaffed.	5	
Work Plan – Assignment, understanding, and organization of tasks, understanding of interrelationship of critical tasks, hour commitment to each task, deliverables.	15	
Quality Control – Consultant’s internal controls and process for coordinating and communicating field decisions upward and downward to/from the contractor and City staff are clearly defined. Coordination with permitting agencies and public outreach clearly understood.	5	
SUBTOTAL	60	
REFERENCES – See worksheet.	10	
SUBTOTAL TO INTERVIEWS	70	
INTERVIEW		
Presentation by PM – Project understanding, critical issues, innovation, and solutions.	10	
Presentation by Team – Experience, roles and responsibilities, communication and coordination between team members, agencies, and City.	10	
Q&A – Response to panel’s questions.	10	
SUBTOTAL WITH INTERVIEWS	30	
TOTAL (Add 5 points for E/SBE prime on City funded projects only)	100 (105)	
RANKING OF CONSULTANT FIRM (assigned after completion of scoring)		

Panel Member Name _____ Consultant Firm _____

Reference Check Question Worksheet

Consultant Firm:	Agency Name:
Check Completed By:	Reference Name/Title:
Date of Reference Check:	Reference Phone:

Agency Project Worked on: _____ Project Year: _____ Project Cost: _____

1. Please describe the project worked on.
2. What was the firm's role on the project?
3. What was the proposed PM's role on the project?
4. Project Manager's ability to coordinate team and your Agency staff: Good ___ Average ___ Poor ___
5. Was the project completed per the original schedule?
6. What were the Project Manager's strengths?
7. What were the Project Manager's weaknesses?
8. On a scale of one to ten, how would you rate the performance of the consultant firm?
9. On a scale of one to ten, how would you rate the performance of the Project Manager?
10. Would you hire the consultant firm and Project Manager again? If not, why not?
11. Do you have anything else to add?

Sample Tabulation Sheet

Reviewer Name	Written Proposal				Maximum Score 60
	A&B Assoc.	Broadway LLC	Premier Eng.		
C. Smith	60	53	49		
B. Jones	60	30	7		
N. Anderson	10	36	25		
G. Black	42	49	53		
Subtotal	172	169	134		

Reviewer Name	References				Maximum Score 10
	A&B Assoc.	Broadway LLC	Premier Eng.		
C. Smith	10	10	7		
B. Jones	10	5	0		
N. Anderson	4	6	3		
G. Black	7	7	10		
Subtotal	31	28	20		

Reviewer Name	Oral Interview				Maximum Score 30
	A&B Assoc.	Broadway LLC	Premier Eng.		
C. Smith	30	25	28		
B. Jones	10	5	30		
N. Anderson	5	8	9		
G. Black	25	28	29		
Subtotal	70	66	96		

Reviewer Name	Total From Each Rater				Maximum Score 100
	A&B Assoc.	Broadway LLC	Premier Eng.		
C. Smith	100	88	84		
B. Jones	80	40	37		
N. Anderson	19	50	37		
G. Black	74	84	92		
Grand Total	273	262	250		

Ranking

Reviewer Name	Rankings			
	A&B Assoc.	Broadway LLC	Premier Eng.	Broadway LLC
C. Smith	1	2	3	
B. Jones	1	2	3	
N. Anderson	3	1	2	
G. Black	3	2	1	
RANK POINTS	8	7	9	
FINAL RANKING	2	1	3	

Project Manager _____ Reviewed by Section Manager _____

Scoring Tabulation Sheet

Reviewer Name	Written Proposal				Maximum Score 60
Subtotal					

Reviewer Name	References				Maximum Score 10
Subtotal					

Reviewer Name	Oral Interview				Maximum Score 30
Subtotal					

Reviewer Name	Total From Each Rater				Maximum Score 100
Grand Total					

Ranking

Reviewer Name	Rankings			
RANK POINTS				
FINAL RANKING				

Project Manager _____ Reviewed by Section Manager _____

Sample Selection Letter



DEPARTMENT OF TRANSPORTATION
ENGINEERING SERVICES DIVISION

CITY OF SACRAMENTO
CALIFORNIA

915 I ST, ROOM 2000
SACRAMENTO, CA
95814-2700

PH. (916) 808-8300
FAX (916) 808-8281

Date

Consultant Name and Address

RE: Title of Project (PN: **XXXX**)

Dear Mr. /Mrs. **XXX**:

Thank you for your time and effort to submit a proposal for this project. The City received proposals from the following firms:

List all firms here

After careful consideration of the proposals submitted, the consultant selection panel has selected (**Consultant Name**) to enter into exclusive negotiations with the City to provide (**design, construction management, etc.**) services for this project.

If you have questions regarding the panel's decision, please feel free to contact me at (916) **808-XXXX**. I can schedule a meeting with you to debrief after the consultant contract for this project has been fully executed. Again, thank you for your interest in this project. We hope that you will continue to pursue other contracting opportunities with the City as they become available.

Sincerely,

PM's Name
PM's Title

Copy: File

SECTION 8-2

Pre-Selected Consultants

PURPOSE

This section establishes Division policy and procedures on the use of pre-selected consultants once the consultant selection process has been completed.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CIP	Capital Improvement Project
CS	Contract Services
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
PM	Project Manager
RFQ	Request for Qualifications
SCC	Sacramento City Code
SHRA.....	Sacramento Housing and Redevelopment Agency

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Pre-selected Consultant Lists are established through the RFQ consultant selection process. The lists are established for use on small projects (valued at less than \$100,000) to

reduce the time and cost associated with the Request for Proposal (RFP) selection process. To be placed on a pre-selected list, consultant firms must compete with other firms.

Per Division policy, lists are to be established for a maximum period of two years and may be renewed for a period of one additional year. This provides opportunities for all consultant firms to qualify for work with the City and maintains a competitive contracting environment.

Contracts made with pre-selected consultants are rarely, if ever, extended by supplemental agreement due to the short-term nature and limited scope of their intended use. If there is a possibility that the services required will exceed the \$100,000 threshold, a project specific RFP selection and award process should be used.

USE OF PRE-SELECTED CONSULTANTS

Typical uses of pre-selected consultants include, but are not limited to:

- Transportation planning
- Parking studies
- Traffic calming
- Streetscape planning and design
- Traffic signal design and timing
- Public relations
- Street lighting design
- Feasibility studies

Consultants on the Pre-selected List can only be invited to enter into a contract in the service category they were selected for.

AUTHORITY

The Division rotates the use of firms on pre-selected lists to ensure equitable contracting opportunities for the firms selected. Exceptions to the rotation can only be approved by the Section Manager or Division Manager.

RESPONSIBILITIES

Project Manager

- Selecting a consultant from the Pre-selected Consultant List (Attachment 1) for the services needed.
- Reviewing the selection with CS staff to check consultant availability and rotation.
- Negotiating a scope of services and fee schedule and providing the information to CS staff.
- Resolving any conflicts that may arise regarding changes to consultant contract terms and conditions.
- Identifying the activity and all types of funding (ECAPS codes) to be used for the consultant contract (i.e. CDBG, FHWA, etc.)
- Completing a final review of the proposed consultant contract developed by CS staff.
- Preparing and issuing the written Notice to Proceed to the consultant.
- Monitoring and verifying consultant performs according to the approved scope of services.
- Accepting or rejecting consultant work product.
- Closing the project and reporting results to CS staff.

Contract Services

- Verifying rotation of consultants. If the consultant requested is not available due to an imbalance of contract assignments made with respect to other firms on the list, CS staff will discuss alternates with PM.

- Coordinating collection of all information necessary for the contract, including obtaining required proof of insurance and necessary signatures from the consultant.
- Routing the consultant contract for the appropriate reviews and signatures.
- Collecting data for the Contract Processing Worksheet (Attachment 2) and placing it in the project files.
- Monitoring the term lengths of the Pre-selected Consultant Lists and determining whether an extension should be made or a new RFQ issued.

REMOVING PRE-SELECTED CONSULTANTS FROM MASTER LISTS

Consultants may be removed from a Pre-selected List for the following reasons:

- Loss of technical expertise or loss of a key member of the consultant team - a firm loses its technical expertise or a key member of the consultant team without replacement with an acceptable substitute within three months.
- Timeliness of completion of assigned tasks - a firm does not meet the agreed upon schedule required to complete deliverables as specified in the consultant contract, and there are no extenuating circumstances that would have precluded its doing so.
- Responsiveness/accessibility of the consultant - the consultant project lead is non-responsive and inaccessible for more than four (4) consecutive working days after repeated, documented attempts by City staff to contact the individual.
- Poor quality control - a firm exhibits poor quality control and requires a submittal to be returned three (3) or more times for revision.
- Use of outdated and/or unauthorized software - a firm continues use of outdated and/or unauthorized technical software to transmit required information.

The Contracts and Compliance Specialist will review all documentation submitted by PMs to remove consultants from the pre-selected lists and prepare a recommended action for Division Manager concurrence. Should the Division Manager agree, the decision to remove firms will be final.

ATTACHMENTS

- Attachment 1: Pre-selected Consultant List
- Attachment 2: Contract Processing Worksheet

Pre-Selected Consultant Lists

CATEGORY & FIRMS	E/S PRIME?
Structural Design Restoration	
Walker Restoration Design	
Watry Design	SBE
PB Americas	
Architectural Services	
Watry Design	SBE
Stantec	
Cynthia Easton Architects	SBE
Traffic Design & Plan Review	
Y & C Transportation	SBE
Fehr & Peers	
Kimley Horn	
Rick Engineering	
CCTV	
URN Consulting	SBE
Kimley Horn & Associates	
Fehr & Peers	
Traffic Data Collection	
All Traffic Data	SBE
Traffic Research & Development	
Parking Systems	
Walker	
Watry Design Inc.	SBE
Telecommunications Engineering & Plan	
URN Consulting Inc.	SBE
Kimley Horn & Associates	
Accessibility Design and Monitoring	
NONE	
Roundabout Design & Review	
Whitlock (W-Trans)	EBE
Bickett Engineering, Inc.	SBE
Fehr & Peers	
Bicycle & Pedestrian Facility Planning	
Whitlock (W-Trans)	EBE
Questa Engineering Corp.	
Callander Associates	SBE
Fehr & Peers	
Bridge Engineering	
Dokken Engineering	SBE
Quincy Engineering	
David Evans	
Lim & Nascimento (LAN)	
TRC	
CH2M Hill	

CATEGORY & FIRMS	E/S PRIME?
Environmental Testing & Lead Asbestos	
National Analytical Labs Inc.	SBE
Geocon	
Kleinfelder	
Lead Detective Agency	SBE
Specialty Reprographics	
Uptown Studios	SBE
Landscape & Streetscape Design	
The HLA Group	SBE
Stantec	
Callander Associates	SBE
LPA Sacramento Inc.	
Foothill & Associates	SBE
Construction Management Roadways	
Salaber Associates	EBE
PSOMAS	
Nolte	
Mendoza	EBE
Vali Cooper	
Construction Management Parking	
Analytical Planning Services Inc.	
TRS Construction	EBE
PB Americas	
Digital Systems	
Fluoresco Lighting & Sign	
Traffic Signal Design	
Y&C Transportation	SBE
Fehr & Peers	
Materials Testing, Soil Testing, Geotech	
Kleinfelder	
Youngdahl	SBE
Consolidated Engineering	
Inspection Consultants Inc. (ICI)	SBE
Street Light Design	
Y & C Transportation	
Fehr & Peers	
Mechanical Engineering	
Stantec	
Parking Studies	
Walker	
Fehr & Peers	
PB Americas	
Watry Designs	SBE

CATEGORY & FIRMS	E/S PRIME?
Pavement Deflection Testing	
Applied Pavement Technology	
Nichols Consulting Engineers	
Quality Engineering Solutions	
Traffic Signal Infrastructure Testing & Maintenance	
NONE	
Graphic Design	
Graphic Focus	SBE
Circle Design	SBE
Craig Design	SBE
Image Point Design	SBE
Electrical Design	
Stantec	
Wood Rodgers	
CH2M Hill	
Signage Services	
Ellis & Ellis	SBE
Fluoresco	
Lighting Design Parking	
Watry Design	SBE
DKS Associates	
Wood Rodgers	
Fluoresco	
Parking Planning & Policy	
Walker	
DKS	
Watry Design	SBE
Traffic Calming	
PB Americas	
Fehr & Peers	
DKS Associates	
Kimley Horn & Associates	
PBS & J	

CATEGORY & FIRMS	E/S PRIME?
Photography	
GMP Digital	SBE
Surveying	
CBC Surveys	SBE
Nolte	
Andregg Geomatics	SBE
GTS	
Mak Thomas & Company	
Traffic Operations, Modeling and Impact	
Fehr & Peers	
Rick Engineering	
DKS Associates	
Kimley Horn	
Media Relations/Public Outreach	
Lucy & Company	
Valerie Spake	EBE
HDR	
Katz & Associates	SBE
Transportation Civil Design	
Dokken Engineering	SBE
Mark Thomas & Company	
David Evans & Associates	
HDR	
M H M Engineers & Surveyors	
Wood Rodgers	
TRC	
Quincy Engineering, Inc	
PSOMAS	
BKF Engineers	
CH2M Hill	

SBE = Small Business Enterprise EBE = Emerging Business Enterprise

Contract Processing Worksheet

Project Name _____ CIP/Job# _____

Select Which Applies	Contract Value	Authority	Council Date
	\$0 to \$99,999	Manager's / Director's Signature	N/A
	\$100,000 and over	Council Authority	/ /

Selection Process Used to Obtain Contractor/Consultant:

- | | |
|---|----------------------|
| <input type="checkbox"/> Invitation for Bid (Construction) | Date Released: _____ |
| <input type="checkbox"/> Design/Build Solicitation (Construction) | Date Released: _____ |
| <input type="checkbox"/> Request for Proposals Formal (Consultant Services) | Date Released: _____ |
| <input type="checkbox"/> Request for Proposals Informal (Consultant Services) | Date Released: _____ |
| <input type="checkbox"/> Pre-Selected Consultant (Consultant Services) | Date Approved: _____ |
| <input type="checkbox"/> Master Services Contract (Consultant Services) | Date Approved: _____ |
| <input type="checkbox"/> Sole Source (Justification attached) | Date Approved: _____ |

Project Budget:

- Budget Analysis Summary Report attached
- Current CIP Expenditure Report attached

Additional Comments:

This document has been reviewed and cleared for signature.

 Contracts and Compliance Specialist Date _____

SECTION 8-3

Master Services Contracts

PURPOSE

This section establishes Division policy and procedures for developing, approving, and using Master Services Contracts (MSCs) after the consultant selection process has been completed.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CIP	Capital Improvement Project
CS	Contract Services
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
MSC	Master Services Contract
CM	Contract Manager for MSC
RFP	Request for Proposals
SCC	Sacramento City Code
SHRA	Sacramento Housing and Redevelopment Agency

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

USE OF MASTER SERVICES CONTRACTS

A MSC is an executed professional services contract that covers a generic scope of work for a particular consultant up to an aggregate not-to-exceed amount. A MSC can be used for a number of different projects. Consultants with MSCs are used differently than Pre-selected Consultants (also known as on-call consultants) in that MSCs are executed professional services contracts which are in effect for a certain period of time and ready for use through the execution of an addendum or through invoicing.

Pre-selected Consultants are firms which have been selected to perform certain types of work through a formal selection process but do not have executed contracts for performing work. Prior to using Pre-selected Consultants, it is necessary to develop and execute individual consultant services contracts.

Since MSCs are pre-approved contracts, they do not require the undertaking of a selection process and preparation of a contract for each individual project, thereby saving considerable expense and time. Also, MSCs have the advantage that a single contract can be applied to multiple projects at the same time. The City encourages departments to make use of MSCs for recurring professional services.

MSCs can be used through invoicing directly to a CIP, or through the execution of an addendum. An addendum is a letter of authorization to the consultant specifying the work to be undertaken and the dollar value.

Typically, DOT has the following MSCs on file:

- Materials sampling, testing, and structural pavement design
- Construction inspection/construction management
- Surveying services
- Specialty reprographics and graphic design
- Labor compliance and field investigation services
- Public relations
- Traffic data collection
- Traffic impact studies

POLICY

It is Division policy that all MSCs run for a maximum period of two years and may be renewed for an additional period of one year. This provides more opportunities for consultants to qualify for work with the City and maintains a competitive contracting environment.

When MSCs are contracted with multiple firms, all firms are to be used on a rotational basis and at equitable expenditure levels. Using multiple firms for a particular service allows contract amounts to be kept small which encourages more participation and competition.

All MSCs are to be prepared by CS staff, reviewed by the CM prior to submission for execution, and reviewed as to form by the City Attorney's Office. All contracting policy for professional services for public projects is to conform to API No. 47.

AUTHORITY

MSCs valued at or above \$100,000, and supplemental agreements exceeding the City Manager's authority must be approved by the Sacramento City Council. MSCs valued below \$100,000 and supplemental agreements increasing the contract amount within the City Manager's authority, can be approved by the

City Manager and/or his designee, the Department Head. Authority to issue addenda to perform work under a MSC for a particular project rests with the CM.

RESPONSIBILITIES

Contract Manager

The CM is responsible for the following core tasks in the development of MSCs:

- Negotiating a scope of services, fee schedule with hourly rates, not-to-exceed amount, and term of contract for the services to be provided, and providing all contact information to CS staff.
- Resolving any conflicts that may arise regarding changes to MSC terms and conditions.
- Identifying all project activities and types of funding (ECAPS codes) to be used for the MSC (i.e. CDBG, FHWA, etc.).
- Completing a final review of the proposed MSC developed by CS staff.
- Monitoring and verifying consultant performs according to the approved scope of services.
- Accepting or rejecting consultant work product.
- Closing the project and reporting results to CS staff.

When the CM requests development of a MSC, all documentation for the consultant selection process used must be submitted to CS staff for the project files.

Contract Services

CS staff is responsible for the following core tasks in the development of MSCs:

- Coordinating collection of all information necessary for development of the MSC, including obtaining required proof of insurance and necessary signatures from the consultant.

- Routing the MSC for review and signature by required City/Department officers as identified by CS staff.
- Coordinating the resolution of indemnification provisions and other legal aspects of the contract with the City Attorney's Office and the consultant's corporate officers.
- Ensuring that all firms with MSCs are used on a rotational basis and are given work at an equitable dollar value.

CS staff will use the Contract Processing Worksheet (Refer to Attachment 2, Section 8-2) to verify that all information required for MSC approval is in place.

REQUIREMENTS FOR AWARD

The following elements are required in order to award a MSC:

- Original signatures from the consultant and appropriate City/Department officers on one copy of the proposed contract.

- Proof of acceptable insurance coverage to required City limits.
- Staff report to City Council requesting approval of the MSC for all contracts valued at \$100,000 or greater.
- Verification of all applicable activity codes and funds to be encumbered through the CIP Budget Analysis Form (Attachment 1) and other supporting documentation.

INVOICING

All billings are to be invoiced by the consultant to a CIP number. When consultants are working on multiple projects, they are to bill to each project separately.

All invoices are to be reviewed and approved by the CM and submitted to the Engineering Services Administration and Fiscal Support Section for payment.

ATTACHMENT

Attachment 1: CIP Budget Analysis Form

CIP Budget Analysis Form

C.I.P. PROJECT BUDGET ANALYSIS FORM		
PROJECT INFORMATION	Project Name	
	JN or PN No.: ####	
	Date: Date	
	Project Manager: P.M.	
CONTRACT AMOUNT	Engineer's Estimate: _____ OR Low Bid: _____	
	CONSTRUCTION CONTRACT:	
	Approved Change Orders	
	Proposed Change Orders	
TOTAL CONSTRUCTION CONTRACT		
EXPENDITURES (Design, Enviro., R/W, Const. Inspection- Remaining construction costs, Etc.)	* Contingencies (10% +/-) 10% \$0.00	
	* Materials Test (2% +/-) 2% \$0.00	
	* Staking and Inspection (10% +/-) 10% \$0.00	
	SUBTOTAL: \$0.00	
	** Current Direct Expenditures (LABOR) \$0.00 (4880)	
	** Current Direct Expenditures (BENEFITS) \$0.00 (4881) <small>Check: (-30% of Labor)</small>	
	** Current Indirect and Overhead Costs \$0.00 (4831) <small>Check: (-150% of Labor)</small>	
	** Consultant (Encumbrances & Expended) \$0.00 (4802)	
	** Other Expenditures (from City info) \$0.00 (4213)	
	** City furnished Materials \$0.00 (____)	
	*** Remaining unencumbered non-construction costs and Project Closeout costs \$0.00 Other	
	SUBTOTAL: \$0.00	
	TOTAL ESTIMATED PROJECT COST: \$0.00	
	<i>Comments:</i>	
PROJECT BUDGET	** BUDGETED FUNDS	
	Fund #1: \$0.00	
	Fund #2:	
	Fund #3:	
	Fund #4:	
	TOTAL BUDGETED FUNDS: \$0.00	
	Additional Funds Required:	
	Remaining Funds (if any): \$0.00	
**** Proposed fund source for additional funds		
Fund #1: N/A		
Fund #2: N/A		
<i>Comments:</i>		
APPROVALS	Reviewed by: _____ Approved by: _____	
	Senior Engineer Supervising Engineer	
	<i>Comments:</i>	
* Percentages based on contract price.	Attachments:	
** Figures furnished by Public Works Project Accounting Section.	City Info.	
*** Figures furnished by Project Manager and Right-of-Way Section.	Council Letter	
**** To be furnished by Supervising Engineer	Other:	

SECTION 8-4

Sole Source Contracts

PURPOSE

This section establishes Division policy and procedures for gaining approvals for sole source contracts.

DEFINITIONS / ABBREVIATIONS

API City Administrative Policy
Instruction

CS Contract Services

DOT City of Sacramento
Department of Transportation

PM Project Manager

SCC Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Sole source contracts are to be avoided except: 1) in cases of emergency; 2) when no reasonable alternative sources to perform the work or procure the product exist; and, 3) after advertising for proposals or bids, no valid proposals/bids have been received. Emergencies for the purpose of this section are defined as circumstances that constitute a threat to public safety, life, or property and which require immediate intervention to prevent; or significant degradation of City services; or loss of City revenue.

All DOT sole source contract requests are to be accompanied by a Justification of Sole Source or Emergency Contract (Attachment 1), reviewed by CS staff, and be approved by the Division Manager. City sole source policy for

public procurements is further defined in API Nos. 1, 47 and 48.

AUTHORITY

Sole source contracts valued at or above \$100,000 must be approved by the Sacramento City Council (SCC Title 3, Chapter 3.64.170) and require a 2/3 Council vote for approval. Sole source contracts valued below \$100,000 can be approved by the City Manager or the Director of Transportation.

RESPONSIBILITIES

Project Manager

The PM is responsible for reviewing the need for a sole source contract with CS staff and the Section Manager, completing the Sole Source Justification Form, and submitting the required supporting documentation for review to the Contracts and Compliance Specialist.

Contract Services

CS staff is responsible for reviewing the need for a sole source contract with the PM, processing the Sole Source Justification Form, and coordinating the collection of all information necessary to support the sole source request.

REQUIRED SUPPORTING DOCUMENTATION FOR SOLE SOURCING

The following elements are required in order to support a justification for a sole source contract:

- If an emergency situation exists, describe the nature of the emergency, what is at risk, the need for an emergency response, and

why a competitive selection process will not address the emergency needs.

- If only one firm is available to provide the product or services needed, identify all the firms that were contacted and when, the reasons why they cannot provide the product or service, and if applicable, describe what is unique about the product or service requested that only the proposed sole source firm can provide. This may include information provided by the intended contractor/consultant, but cannot be the only documentation submitted.
- If no valid bids or proposals are received after advertising, document the advertising date, the period of advertisement, and the bid/proposal opening date. If any bids/proposals were determined to be non-responsive or not valid, document the reasons for the determination.

APPROVAL PROCESS

If CS staff concurs with the sole source justification, it will be submitted to the Division Manager for review and approval. If CS staff does not concur, the justification will be returned to the PM with the reasons why it is not recommended for approval.

In the event there is a disagreement between the PM and CS staff as to whether a sole source contract is necessary, the matter should be referred to the Division Manager.

ATTACHMENT

Attachment 1: Justification of Sole-Source or Emergency Contract

ATTACHMENT 1

Justification for Sole-Source or Emergency Contract

Project Number: _____ Date: _____

Project Name: _____

Emergency: The work to be performed is an emergency that has life / safety implications.

Describe the nature of the emergency, what is at risk, the need for an emergency response, and why a competitive selection process will not address the emergency needs.

(Attach additional sheets if necessary)

Availability: The work or product is available from only one contractor. Item is one-of-a-kind or is an extension of previously contracted work/product.

Identify all the firms that were contacted and when, the reasons why they cannot provide the product or service, and if applicable, describe what is unique about the product or service requested that only the proposed sole source firm can provide. Information provided by the intended contractor/consultant can be used, but it cannot be the only documentation submitted.

(Attach additional sheets if necessary)

No Bids or Proposals: A competitive solicitation was completed and either no bids/proposals were received or all were found to be not responsive to the solicitation requiring use of the proposed sole source firm.

Document the advertising date, the period of advertisement, and the bid/proposal opening date. If any bids/proposals were determined to be non-responsive or not valid, document the reasons for the determination.

(Attach additional sheets if necessary)

Certification:

I am aware of the Sacramento City Charter Article XIV, City Code Title 3, and Policy Directives, which set for the requirements for competitive bidding. As an authorized Department representative, I have gathered information and have made a concentrated effort to comply with all requirements. I hereby certify the information above and believe, to the best of my knowledge that the justification conforms to the City's requirements.

Form completed by:

APPROVAL RECOMMENDED:

Project Manager

Contracts and Compliance Specialist

Contact Information:

DEPARTMENT APPROVAL

Transportation / 1500XXXX / (916) 808-XXXX
Organization/Org. No./Phone Number

Nicholas Theocharides
Division Manager

SECTION 8-5

Negotiating Contracts

PURPOSE

This section establishes Division policy and procedures for negotiating the final scope of work, staffing, time commitments, schedule, reimbursable expenses, hourly rates, overhead rate, and fee for work to be performed under professional services contracts.

DEFINITIONS / ABBREVIATIONS

Caltrans	State of California Department of Transportation
CS	Contract Services
DOT	City of Sacramento Department of Transportation
PM	Project Manager
RFP	Request for Proposals

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

All proposed contracts are to be thoroughly reviewed and negotiated to ensure there is a clear scope with defined deliverables, and a fee schedule that will ensure delivery of the services required for the project at a fair and reasonable price.

AUTHORITY

The City Council has final authority to approve or reject negotiated consultant contracts valued at or above \$100,000. Authority for approving consultant contracts valued below \$100,000 is delegated to the City Manager or the Director of Transportation.

The PM has the authority to negotiate contracts in consultation with the Section Manager.

OVERVIEW

Once final ranking has been completed, the PM will enter into negotiations with the top ranked firm to reach agreement on the final scope of services, hourly rates, reimbursable expenses, fee, time commitments of the project manager and other key individuals, project schedule, and not to exceed contract amount.

If agreement cannot be reached with the top ranked firm, the PM is to document the issues and consult with the Section Manager on whether to start negotiations with the second ranked firm. If the Section Manager determines that negotiations with the top ranked firm should be terminated, he/she will consult with the Division Manager before proceeding to the second ranked firm.

RESPONSIBILITIES

Project Manager

- Reviews the sealed cost estimate and fee submitted by the consultant with the proposal. The estimate must include:
 - Work hours for each team member, including subconsultants, by task.
 - Total hours of all personnel by task.
 - Classification and billable rates of each member of the project team.
 - Total cost of personnel for each task.

- Breakdown of reimbursable expenses such as travel, mileage, reproduction, etc.
- Breakdown of direct salary, overhead rate, and profit.
- Performs a comparative analysis of the consultant's proposed work plan and level of effort with that of other proposers, and with PM's own estimation of the appropriate level of effort needed to successfully complete the individual project tasks.
- Develops a strategy and negotiates the contract with the consultant.

NEGOTIATIONS

The following items in the consultant's proposed scope of work are to be reviewed, and if necessary, negotiated to conform to the following guidelines:

- Scope of Work – The proposed scope of work is to be reviewed in detail to ensure that all needed deliverables are included, the level of effort is appropriate for the tasks, and review periods for milestone tasks are reasonable.
- Key Personnel – The time commitment and roles of key personnel should be reviewed to determine the appropriate level of their involvement to successfully execute the work plan.
- Staffing – The number of staff members assigned to the work should be sufficient and not excessive.
- Schedule – The project schedule should be adequate and reasonable, and designed to meet the City's timelines.
- Hourly Rates – The hourly rates of all personnel are appropriate for their classifications, experience, and services to be provided on the project.
- Overhead Rate – Overhead rates for DOT projects should be based on the firm's audited Federal overhead rate. In the absence of an audited Federal rate, a detailed disclosure of what is included in the firm's overhead rate should be reviewed against expenses typically allowed in the Federal overhead rate.
- Reimbursable Expenses – The firm's proposed reimbursable expense budget should be reviewed to ensure that expenses are necessary and reasonable. In general, long distance travel budgets should be avoided.
- Management Hours – The firm's principal's hours should be carefully reviewed to ensure that the proposed services are needed and the number of hours proposed are not excessive. The project manager's hours should be reviewed to ensure that there is full commitment to the project and that the hours are sufficient to direct, exercise full control, and oversee all aspects and quality of the work.
- Fee – The allowable fee (profit margin) should be around seven percent (7%) and may not exceed ten percent (10%). The fee may be applied to the prime's direct and overhead expenses only. A profit margin may not be applied to reimbursable expenses or to the value of work to be performed by subconsultants. The consultant's cost to manage subconsultants is to be included in the administrative and management hours estimated in the work plan and applied to those hours only. All contracts are to be based on a percentage fee. A lump sum fee (fixed fee) is not allowed unless there is sufficient justification and approved by the Division Manager. The conditions as stated above also apply to any subconsultant on the prime consultant's project team.
- Not to Exceed Amount – All contracts are to have a not-to-exceed dollar amount which caps the City's financial obligation and the consultant's charges for the services to be provided under the contract. If unanticipated or additional work is needed to complete the project deliverables, the not-to-exceed amount may be adjusted

through a supplemental agreement. If no unanticipated or additional work is required, the contract not-to-exceed amount may not be adjusted.

- Under no circumstances will the cost proposal of other firms submitting under a RFP be unsealed and shared with the PM during the selection process or negotiation period. Exceptions to this policy will only be made with the informed consent of the Division Manager.

Attachment 1, Estimating a Reasonable Profit, is provided as a tool for calculating and negotiating a consultant's profit.

ATTACHMENT

Attachment 1: Estimating a Reasonable Profit

Estimating a Reasonable Profit

Profit or fee should be established as a percent amount of the total contract after considering:

- Degree of risk.
- Nature of the work to be performed.
- Joint venture responsibilities.
- Extent of the A-E's investment.
- Subcontracting of work.
- Other criteria discussed in Federal Acquisition Regulation 31.105

The following weighted guidelines method of computing profits provides a technique that will ensure consideration of the relative value of the appropriate profit factor in the establishment of a profit objective and a basis of documenting the profit objective. In preparing estimates and/or where profit is negotiated as an element of price, a reasonable profit should be negotiated or determined for each procurement action by using the following procedure as a guide.

WEIGHTED GUIDELINES

<u>Factor</u>	<u>Rate</u>	<u>Weight</u>	<u>Value</u>
Degree of risk	25	0.07	1.75
Relative difficulty of work	20	0.09	1.80
Size of job	15	0.08	1.20
Period of performance	20	0.10	2.00
Contractor's investment	5	0.07	0.35
Assistance by government	5	0.07	0.35
Subcontracting	10	0.08	0.80
	100		8.25%

1. Based on the circumstances of each procurement action, each of the above factors shall be weighted from .07 to .15 as indicated below. The value shall be obtained by multiplying the rate by the weight. The value column, when totaled, indicates the fair and reasonable profit percentage under the circumstances of the particular procurement.
2. **Degree of Risk.** Where the design involves no risk or the degree of risk is very small, the weighted value should be .07; as the degree of risk increases, the weighting should be increased to a maximum of .15. Contracts with options will have, generally, a higher weighted value than contracts without options for which quantities are provided. Other things to consider: the portion of the design to be done by subcontractors, nature of design, relationship of project estimated costs to realistic estimated costs, responsibility for design, reasonableness of negotiated costs, amount and type of labor included in costs, whether the negotiation is before or after performance of work, etc., amount of principal time required.

Actual Cost Plus Fixed Fee contracts carry the lowest possible degree of risk as the state absorbs any cost overruns which may occur. Lump Sum contracts carry a higher degree of risk as the consultant absorbs any cost overruns. Cost Per Unit of Work contracts carry a moderate degree of risk in that the consultant absorbs any cost overruns resulting from an incorrect estimate of the amount of effort required to produce one unit of work, but, the state absorbs any cost overrun resulting from an incorrect estimate of the number of units of work required. Specific Rates of Comprehension contracts carry risk only if the consultants' actual salaries, overhead, fringe benefits, and direct costs are higher than those initially estimated.

3. **Relative Difficulty of Design.** If the design is most difficult and complex the weighting should be .15 and should be proportionately reduced to .07 on the simplest of jobs. This factor is tied in, to some extent, with the degree of risk. Some things to consider: the nature of the design; by whom it is to be done; i.e., subcontractor, consultants; what is the time schedule, etc., rehabilitation work or the new work.
4. **Size of Job.** Fees not in excess of \$50,000 shall be weighted at .15. Work estimated between \$50,000 and \$500,000 should be proportionately weighted from .15 to .09. Work from \$500,000 to \$1,000,000 at .07 and work in excess of \$1,000,000 at .07. It should be noted that the magnitude of the job effects better control of fixed expenses.
5. **Period of Performance.** Jobs with actual design time in excess of 180 days should be weighted at .15. Jobs with lesser duration should be proportionately weighted to a minimum of .07 for jobs not to exceed 60 days. Exposure over long-time jobs creates more chances of loss and less revenue to assist exorbitant fixed expenses.
6. **Contractor's Investment.** To be weighted from .07 to .15 on the basis of below average, average, and above average. Things to consider: amount of subcontracting, government-furnished items, surveys, soil tests, method of making progress¹ payments, etc.
7. **Assistance by the Government.** To be weighted from .15 to .07 on the basis of average to above average. Things to consider: use of as-built drawings, government survey, soil exploration and foundation recommendations.
8. **Subcontracting.** To be weighted in inverse proportion to the amounts of subcontracting. Where 80 percent or more of the design is to be subcontracted, the weighting is to be .07 and such weighting proportionately increased to .15 where all the design is performed by the contractor's own forces.

¹ U.S. General Services Administration Handbook, *Contracting for Architect/Engineering Services*

SECTION 8-6

Execution of Consultant Contracts

PURPOSE

This section establishes Division policy and procedures for developing and approving consultant contracts once the consultant selection process has been completed.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CS	Contract Services
DOT	City of Sacramento Department of Transportation
PM	Project Manager
SCC	Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

All consultant contracts are to be prepared by CS staff, reviewed by the PM prior to submission for execution, and reviewed as to form by the City Attorney's Office. Any proposed changes to the standard contract are to be forwarded to the City Attorney's Office for review and approval.

All consultant contracts are to be routed for review and sign-off by CS staff using a standardized list of reviewers. All pertinent supporting documentation such as the consultant selection method used, sole source justification (if applicable) and budget

availability verification is to be attached to the routing folder.

All fund source requirements for the selection of consultants are to be followed, including a pre-award audit for federally funded projects.

The City's contracting policy for professional services for public projects as defined in API No. 47 is to be followed in all cases.

All contracts are to be executed by the City Manager or his/her designee and filed with the Office of the City Clerk.

AUTHORITY

Consultant contracts valued at or above \$100,000 must be approved for execution by the City Manager by the Sacramento City Council (SCC Title 3, Chapter 3.64.020, Article I).

Consultant contracts valued below \$100,000 can be approved by the City Manager and/or his designee, the Department Head (API #22).

RESPONSIBILITIES

Project Manager

- Negotiates a project Scope of Work, fee schedule, and project schedule with the consultant, and provide all contact information to CS staff.
- Resolves any conflicts that may arise regarding changes to consultant contract terms and conditions.

- Identifies all activities and types of funding (ECAPS codes) to be used for the contract (i.e., CDBG, FHWA, etc.).
- Provides documentation on the consultant selection process used to CS staff.
- Completes a final review of the proposed consultant contract developed by CS staff to ensure all elements required by the PM have been addressed.
- For federally funded projects with a value of \$250,000 or more, routes the draft contract and facilitates a pre-award audit with Caltrans.
- Once the consultant contract is awarded and executed, facilitates a project kick-off meeting and issues a Notice to Proceed (Attachment 1).
- Completes the Consultant Contract Processing Checklist (Attachment 2).

Contract Services

- Coordinates collection of all information necessary for development of the consultant contract, including but not limited to: proof of insurance, signatures from the contractor, and Sole Source Justification Form (if required).
- Routes the consultant contract for review/signature by required City/ Department officers as identified by CS staff.
- Uses the Contract Services Contract Processing Worksheet (Refer to Attachment 1, Section 8-2) to verify that all information required for consultant contract approval is in place.

REQUIREMENTS FOR RECOMMENDING AWARD

The following items are required to award a professional services contract:

- Original signatures from consultant and appropriate City officer on one copy of the proposed contract.
- Proof of acceptable insurance coverage to required limits.
- Staff report to Council requesting approval of the consultant contract for all contracts of \$100,000 in value or greater.
- Verification of funds available.

PRE-AWARD AUDIT

For consultant contracts of \$250,000 or more that are fully or partially funded with Federal funds, a pre-award audit is required before taking the contract to the City Council for award and execution. The audit may include, but is not necessarily limited to a review of project scope, direct rates for labor assigned to the project, indirect rates and the consultant's proposed fee. When a pre-award audit is required, a draft contract will be developed to be forwarded to Caltrans. It is the responsibility of the PM to submit the draft contract to Caltrans for pre-award audit approval. Once the audit is complete (typically within 30-45 days) and the changes to the draft contract (if any) required by Caltrans have been made, the contract can be routed for approval.

ATTACHMENTS

- Attachment 1: Sample Notice to Proceed
- Attachment 2: Consultant Contract Processing Checklist

ATTACHMENT 1

Sample Notice to Proceed

PROJECT NO. _____

Date

**Consultant
Address
City, State, Zip**

Project:

Notice is hereby given that you are authorized to proceed on the above referenced project on **Date**. Please reference Project No. **CIP #** in all billing and correspondence. Please address all correspondence to my attention at:

Address
City State Zip
Phone
Fax

We look forward to a mutually successful project. Please do not hesitate to contact me if I can be of any assistance.

Very truly yours,

Name
Project Manager

Receipt Acknowledged

cc: file

Consultant Contract Processing Checklist

Task	CS Initial	PM Initial	Comments
Project Scope of Work, fee schedule, project schedule and full consultant contact information to CS staff. All project funding sources have been identified. Consultant selection method has been identified and documented.			
If consultant contract is \$250,000 or more and is full or partially FHWA-funded, required pre-audit review by Caltrans has been coordinated by PM.			
Consultant contract has been developed by CS staff and routed for approval.			
PM has completed a final review to ensure all elements required are covered before it is routed to other City officers, and has developed a staff report to Council requesting authorization for award of contract (if required).			
CS staff has confirmed a consultant contract has been awarded and executed.			
A Notice to Proceed has been issued by the PM to the consultant. Project kick-off meeting was held (at PM's discretion).			

Section Manager _____

Date _____

SECTION 8-7

Project Participation Requirements (DBE/ESBE/MWBE)

PURPOSE

This section establishes Division policy and procedures for ensuring compliance with Emerging & Small Business Enterprise (E/SBE), Disadvantaged Business Enterprise (DBE), and Minority & Women-Owned Business Enterprise (M/WBE) project participation requirements.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CFR	Code of Federal Regulations
CS	Contract Services
DBE	Disadvantaged Business Enterprise
DOT	City of Sacramento Department of Transportation
E/SBE	Emerging & Small Business Enterprise
FHWA	Federal Highway Administration
GFE	Good Faith Effort
M/WBE	Minority & Women-Owned Business Enterprise
OSB	City Office of Small Business
PM	Project Manager
RFP	Request for Proposals

SCC Sacramento City Code

SHRA..... Sacramento Housing and Redevelopment Agency

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Project participation requirements for the E/SBE, DBE and M/WBE programs are discussed in this section and in the Project Participation Guidelines Matrix (Attachment 1).

E/SBE Project Participation Requirements

SCC Title III, Sections 3.60.259A, 3.60.260 and 3.60.270 establish the requirement for participation of E/SBE firms on City-funded public projects. The minimum overall annual E/SBE project participation goal is 20%. The goal can be modified on a project-by-project basis by the PM with approval in writing from the Program Specialist for OSB after consultation with the Section Manager. For RFPs for professional services only, 5% proposal evaluation preference points are given to City certified E/SBE prime consultant firms for the purpose of determining the highest-ranking proposal. CS staff is responsible for tracking annual E/SBE participation on all contracts.

DBE Project Participation Requirements

DBE project participation guidelines for projects of any dollar value funded fully or in part through FHWA pass-through funding from Caltrans (Fund codes 3702, 3703 and 3704) are defined by 49 CFR, Part 26 and Caltrans Local Assistance Policies and Procedures

(Chapter 9, LPP 01-04). The City's current annual anticipated DBE participation level is 23.8%. The race-conscious portion of this goal is 17.2%. The race neutral portion of the goal is 6.6%. DBE Program focus is now concentrated on the project participation of Underutilized Disadvantaged Business Enterprises (UDBEs). The four following groups are categorized as UDBEs: Asian Pacific American, Black American, Native American and Women. This goal can be modified on a project-by-project basis by the PM after consultation with the Section Managers.

As required by Federal law, Caltrans has established a statewide overall DBE goal. In order to ascertain whether that statewide overall DBE goal is being achieved, Caltrans is tracking UDBE participation on all Federal-aid contracts administered by cities/counties and other local agencies.

Participation of UDBEs on federally-funded projects of 17.2% is required or demonstration of Good Faith Effort (GFE) to engage UDBE project participation is a condition of award.

Certification for any UDBEs participating on the project must be documented by contractors/consultants in writing within four (4) working days of the bid/proposal due date. CS staff is responsible for documenting final UDBE attainments and monitoring contractor or consultant pledged UDBE participation on a periodic basis throughout the life of the contract.

M/WBE Project Participation Requirements

M/WBE project participation requirements for projects valued at \$25,000 or more and with at least \$1 of CDBG funding (Fund code 2700) are governed by 24 CFR, Part 85.36(e) and 24 CFR, Part 84.44(b). There is no minimum M/WBE project participation goal.

NOTE: DBE project participation rules apply when both FHWA and CDBG funding are used on a project.

AUTHORITY

The authority for establishing annual project participation goals for E/SBE and DBE rests with or is derived from the Sacramento City Council. The Office of Small Business of the Economic Development Department is charged with developing and monitoring annual project participation goals for the City. SHRA, as grantee for local CDBG funding, is responsible for monitoring compliance with M/WBE requirements.

RESPONSIBILITIES

CS staff is responsible for ensuring conformance of all DOT contracts with applicable project participation requirements throughout the life of the contract. The project participation requirement is dependent on the source of funding for the project.

GOOD FAITH EFFORT

E/SBE Projects

There is no GFE component for E/SBE project participation. If the project goal is not met, the bid/proposal is deemed not responsive.

DBE Projects

If contractors/consultants have not met the required UDBE project participation, they are required to demonstrate GFE to create subcontracting opportunities for UDBE participation on federally-funded projects. Failure to demonstrate GFE will result in the bid/proposal being determined not responsive. CS staff is responsible for GFE determinations using the UDBE and M/WBE GFE Worksheet (Attachment 2). All administrative reconsiderations of GFE denials will be reviewed and processed by the City's DBE Liaison within the Economic Development Department.

M/WBE Projects

For projects valued at \$25,000 or more and with at least \$1 of CDBG funding, there is no numeric M/WBE project participation goal. Bid/proposal responsiveness is based strictly on demonstration of GFE to engage M/WBE subcontractor participation on the project. Being a certified M/WBE prime contractor/consultant does not unilaterally satisfy GFE. GFE must be submitted and documented in writing along with submission of bid/proposal.

Failure to demonstrate GFE will result in the bid/proposal being determined not responsive. CS staff is responsible for GFE determinations using the UDBE and M/WBE GFE Worksheet (Attachment 2). There is no appeal available on a GFE denial.

PRE-BID/PRE-PROPOSAL MEETINGS

E/SBE Projects

Pre-bid/pre-proposal meetings are not required for E/SBE projects. They are to be held at the PM's discretion. If a meeting is scheduled, CS staff is required to attend in order to discuss project participation requirements and answer

any general contracting process or policy questions. Bidders/proposers are encouraged to attend these meetings (if held) to collect valuable project information or to ask questions, but they cannot be required to attend.

DBE and M/WBE Projects

For DBE and M/WBE projects, the PM is required to hold pre-bid/pre-proposal meetings. Bidders/proposers are encouraged to attend these meetings to collect valuable project information or to ask questions, but they cannot be required to attend. CS staff is required to attend these meetings in order to discuss project participation requirements and answer any general contracting process or policy questions. The City DBE Liaison must attend all pre-bid/pre-proposal meetings for DBE projects only.

ATTACHMENTS

- Attachment 1: Project Participation Guidelines
- Attachment 2: UDBE and M/WBE "Good Faith Effort" Evaluation Worksheet

Project Participation Guidelines

	EBE/SBE	DBE	M/WBE
Governing Funding Source	City of Sacramento Reference: 100% City-funded projects	State Department of Transportation (Caltrans) or Federal Highway Administration (FHWA) Reference: TEA, TEA21, STIP (Funds 3702, 3703, 3704)	Community Development Block Grant (CDBG) Reference: CDBG (Fund 2700)
Applicable Statutory/ Regulatory Authority	Sacramento City Code 3.60.259A, 3.60.260 & 3.60.270	49 Code of Federal Regulations (CFR) Part 26 Local Assistance Policies & Procedures Chapter 9 (LPP 01-04)	24 Code of Federal Regulations (CFR) 85.36(e), 24CFR 84.44(b)
Applicable Dollar Threshold	Contracts & Agreements of \$5,000 in value or more, 100% City-funded	Contracts & Agreements of any dollar value, with at least \$1 of DOT or FHWA funding	Contracts & Agreements of \$25,000 in value or more, with at least \$1 of CDBG funding
Bid/Proposal Responsiveness Requirements	Minimum participation goal must be met.	Attainment of UDBE project participation is required. Failure to pledge required DBE project participation or satisfactory demonstration of good faith effort to meet the goal will result in rejection of bids/proposals.	Demonstration of Good Faith Effort (GFE).
Overall Project Participation Goal	20%	23.8% (17.2% race-conscious, 6.6% race-neutral). This can be increased or decreased on a project by project basis as long as performance to date toward the annual goal is regularly monitored.	None. Strictly based on demonstration of Good Faith Effort (GFE) to engage M/WBE subcontractor participation in the project. Note: GFE is not satisfied by the prime contractor being M/WBE certified
Good Faith Effort (GFE)	No	Yes	Yes
Preference Points	Yes, 5% proposal evaluation preference points are given only to City certified E/SBE prime consultant firms for the purpose of determining the highest- ranking proposal.	No	No
Party Responsible for Evaluating Bid/Proposal Responsiveness	Contract Services	Contract Services	Contract Services
Are pre-bid/pre-proposal meetings mandatory?	No, but they are highly recommended.	Yes. Staff must hold them, but bidder/proposer attendance is not mandated.	Yes. Staff must hold them, but bidder/proposer attendance is not mandated.
Staff required to attend pre-bid/pre-proposal meeting	Project Manager, CS Group Representative, if held	Project Manager, CS Group Representative, DBE Liaison from Economic Development Department	Project Manager, CS Group Representative
Certifying Agencies/ Contacts	Trevor Walton, Program Coordinator Office of Small Business (OSB) (916) 808-6764, www.cityofsacramento.org/esbd State Department of General Services (DGS) Office of Small Business Development (OSBD) (916) 322-5060, www.pd.dgs.ca.gov/smbus	Caltrans Civil Rights Section MS 79 (916) 324-1700 or (866) 810-6346, www.dot.ca.gov Yolo County Transportation District (530) 661-0816, www.vctd.org	Wayne Whitley, Procurement Services- Sacramento Housing & Redevelopment Agency (SHRA) (916) 566-1268, www.shra.org Caltrans Civil Rights Section MS 79 (916) 324-1700 or (866) 810-6346, www.dot.ca.gov
Contact for Assistance in Locating Certified Businesses	Trevor Walton, Program Specialist-OSB (916) 808-6764, www.cityofsacramento.org/esbd DGS-OSBD (916) 322-5060, www.pd.dgs.ca.gov/smbus	Caltrans Civil Rights Section MS 79 www.dot.ca.gov/hq/bep/dbe_query.html Yolo County Transportation District (530) 661-0816, www.vctd.org	Wayne Whitley, Procurement Services-SHRA (916) 566-1268, www.shra.org

UDBE and M/WBE "Good Faith Effort" Evaluation Worksheet

CIP # _____ Project Name: _____

Bidder: _____ Date: _____ Analysis By: _____

UDBE and M/WBE "GOOD FAITH EFFORT" EVALUATION WORKSHEET			
Item:	Description:	Comments:	Responsive
1	Attended Pre-Bid?	Pre-bid? <input type="checkbox"/> yes <input type="checkbox"/> no Called? <input type="checkbox"/> yes <input type="checkbox"/> no	
2	Work items? (p4 questions)		
3	Advertisements made?		
4	Letters/Contact list?		
5	Follow-up information?		
6	Specific information?		
7	Outreach?		
8	Reasons for rejecting bids?		
9	Assistance offered?		
10	Additional information?		
OVER-ALL GOOD FAITH EFFORT:			

SECTION 8-8

Bidding & Awarding Construction Contracts

PURPOSE

This section establishes Division policy and procedures for bidding and awarding construction contracts.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CS	Contract Services
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
PM	Project Manager
SCC	Sacramento City Code
SHRA	Sacramento Housing and Redevelopment Agency

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

All construction contracts are to be bid and awarded in accordance with the City's API No. 48, the City Code, State, Federal, and CDBG grant fund requirements as applicable. If other funding sources are used, all applicable clearances and requirements of that funding source are to be followed.

All projects with a value of \$100,000 and over are to be formally bid using the process contained in this Section and are to be awarded by the City Council.

Projects valued under \$100,000 but over \$24,999, must be formally advertised and bid following the procedures outlined herein. Award for such projects may be made under City Manager authority through the execution of a formal contract.

Projects under \$25,000 may be informally bid. Informally bid projects require a minimum of three (3) solicitations for proposals to perform the work. Two (2) of the solicitations must be made to E/SBE firms.

All bids received must be sealed and reviewed by CS staff to evaluate bid responsiveness. Award may only be made through the execution of a formal contract. All solicitations and responses are to fully documented and filed in the project records.

No projects are to be awarded without sufficient fund appropriations to the project budget to cover all project related costs.

AUTHORITY

In all cases, the authority to bid and award construction contracts rests with the City Council. For construction contracts under \$100,000, the City Council has delegated award authority to the City Manager or his/her designee (API #22).

The rejection of bids for contracts with a value of \$100,000 and above is at the sole discretion of the City Council which must approve the rejection of bids by resolution.

For projects funded with Federal funds, authority to advertise a project for bids must be obtained from FHWA through Caltrans. The authority is granted through the issuance of an Authorization to Proceed with Construction (Form FNM-76).

For projects funded with State funds, a CTC allocation for construction funding must be in place in order to advertise for bids, and bids can only be opened after receipt of a Right of Way Certification 1 or 2 approved by Caltrans.

RESPONSIBILITIES

Project Manager

- Prepares a Construction Contract Front End Worksheet (Attachment 1), and Bid Proposal, Schedule of Values, Special Provisions, Items of the Proposal, and a list of designated plan recipients (typically City staff and/or consultants).
- Completes a final review of all items contained in the bid package before releasing it for bids.
- If required, initiates the issuance of an addendum no less than seven (7) days prior to bid opening.
- Facilitates all pre-bid meetings, as required.
- Confirms CS staff recommendation for award of contract to the low, responsible, responsive bidder.
- Prepares the staff report to the City Council for approval or rejection of all contracts regardless of dollar value.
- Uses the Construction Contract Processing Checklist (Attachment 2) to manage the bidding process.

Contract Services

- Develops the Invitation for Bid, including coordination of the posting of the project to the City website, the required project advertisement in print media, and

reproduction and distribution of bid materials to plan holders and designated plan rooms.

- Issues addenda at the request of the PM as needed.
- Analyses all bids received after bid opening and prepares a recommendation on the lowest responsive and responsible bidder for the PM.

Note: Bid analysis for projects typically takes five (5) working days for City-funded projects and seven (7) working days for federal-aid projects.

BID ADVERTISING PERIOD

For projects \$100,000 and over, four (4) weeks are typically allowed for the submittal of bids. A minimum of twenty-one (21) calendar days is required to ensure compliance with bid advertisement requirements specified in SCC Title 3, Article 3, Chapter 3.60.110.

For projects under \$100,000, a minimum advertisement of seven (7) calendar days on the City website is required (API #48). Projects under \$100,000 are typically advertised for two (2) to three (3) weeks.

PRE-BID MEETINGS

The PM schedules and facilitates a pre-bid meeting to be held within 7-10 calendar days after the project is advertised on the City's website. The pre-bid meeting is usually held at the proposed job site, but can be held at an alternate location of the PM's choosing. Pre-bid meetings are required to be held for all projects receiving Federal aid (FHWA pass-through or CDBG funding). Bidders can be encouraged to attend these meetings, but cannot be required to do so. The PM has discretion to determine whether to hold a pre-bid meeting for all other projects. Refer to Sample Pre-Bid Meeting Agenda (Attachment 3) for meeting structure.

BID OPENING

Bids for projects of \$100,000 in value or greater are required to be submitted to and opened at the City Clerk's Office by the City Clerk. Bids for these projects can only be scheduled on Wednesdays at 2:00 p.m.

All bids for projects under \$100,000 in value are to be submitted to and opened by CS staff at the DOT office. CS staff determines the time and date for bid opening for these projects so as to not conflict with any City Clerk-facilitated bid opening. All sealed bid proposals received are to be time and date stamped and filed in the project records. All sealed bids received after the stipulated deadline will remain unopened and are to be rejected.

TIME OF AWARD

City Standard Specifications (Section 3, 3-2) require contract award, if made, to be within

sixty (60) work days from the date of bid opening. The time for award may be extended beyond sixty 60 days if expressly stated in the Special Provisions. An extension of time of award may conflict with contractors being able to hold materials prices resulting in higher bids. The time of award should only be extended if there are compelling reasons to do so. Time of award extensions should be thoroughly discussed with the Section Manager.

ATTACHMENTS

- Attachment 1: Construction Contract Front End Worksheet
- Attachment 2: Construction Contract Processing Checklist
- Attachment 3: Sample Pre-Bid Meeting Agenda

Construction Contract Front End Worksheet

Project Manager: _____ Phone # _____

Project/Job Title: _____ (P/JN) _____

Funding Codes: - - - - -
 - - - - -
 - - - - -
 - - - - -

Engineer's Estimate: \$ _____

Liquidated Damages: \$ _____ per day

Please identify all project funding sources. Code #2700 funding requires Community Development Block Grant (CDBG) contract boilerplate; Projects with at least \$25,000 of Code #3703 or 3704 funding requires federal contract boilerplate.

Council District: _____ Construction Time: _____ calendar days or working days

Are plans included or separate? Price of plan set/specs \$ _____

Will there be a Site Pre-Bid Meeting? Yes No If Yes, Date: _____ Time: _____

Location: _____

Pre-bid meetings are required to be held for all federal-aid projects. Bidders are encouraged to attend, but cannot be required to do so. PM is responsible for scheduling. Contract Services staff must attend.

Will the bid proposal form contain bid alternate items? Yes No

If yes, please list in order and basis of selection in bid proposal document.

Has the Emerging and Small Business Enterprise (E/SBE) goal been waived or modified? Yes No

If yes, please attach written approval from Office of Small Business (OSB) Manager

Are there any changes to City Standard Specifications included in Special Provisions for this project? Yes No

If yes, what are they? _____

Please note:

- All Federally-funded projects must have Local Agency Project Advertising Checklist, Exhibit 15-C completed
- Please reline a "Signature letter" for document distribution (the printer is under contract to deliver all sets as part of the contract price for printing) (Printing/distribution normally takes 2-3 days.)
- Should you have other needs not addressed by this form, please consult with Contract Services.

REV 12/2005

Construction Contract Processing Checklist

TASK	COMPLETE?	COMMENTS
Project Manager completes and sends Construction Front End Worksheet, Technical Specifications, Bid Proposal, Schedule of Values, list of designated plan recipients, and plan sheets to Contract Services.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Contract Services develops bid package to Project Manager specifications ensuring compliance with applicable City, State and/or Federal contracting policy.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Final QC review of bid package completed by Project Manager.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Contract Services facilitates posting of Invitation for Bids to the City website and forwarding of documents to reprographics for printing and distribution.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Pre-bid meeting scheduled for within 7-10 calendar days of posting Invitation for Bids on City website by Project Manager.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Addenda initiated by Project Manager and initiated by Contract Services.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Contract Services analyzes all bids received and forwards an award recommendation to the Project Manager within 5 working days for City-funded projects and 7 working days for federal-aid projects.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Project Manager confirms award decision to Contract Services within 5 working days of receipt of complete bid analysis.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Contract Services prepares contract documents and coordinates receipt of needed documents from the contractor and required signatures from City officers.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Project Manager prepares staff report to Council requesting authorization for contract award or rejection of bids.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Scheduled pre-construction meeting upon confirmation of contract award. This may be performed by the Project Manager or Inspector at the Project Manager's discretion.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	
Contract Services issues a Notice to Proceed and reviews labor compliance requirements with the contractor.	<input type="checkbox"/> YES <input type="checkbox"/> NO <input type="checkbox"/> N/A	

Issue Date 12/2005

Sample Pre-Bid Meeting Agenda

City of Sacramento
H STREET IMPROVEMENTS PROJECT (PN: TZ06)
PRE-BID MEETING AGENDA
June 1, 2006
10:00 AM
915 I Street, Room 2105

- I. Project Overview**
 - a. Location
 - b. Description of Work to be Completed
 - c. Project Schedule
 - d. Special Project Characteristics or Requirements/ Site Mitigation Issues
 - e. Contractor Questions/Concerns

- II. Contracting with the City**
 - a. Bid Process Schedule
 - b. Terms and Conditions for City Contracts
 - c. Project Participation Requirements (DBE, ESBE, MWBE)
 - d. Prevailing Wage/Labor Compliance Requirements
 - e. Contractor Questions/Concerns

- III. Meeting Summary/Adjourn**

SECTION 8-9

Execution of Construction Contracts

PURPOSE

This section establishes Division policy and procedures for developing, processing and executing construction contracts once bids have been received and bid analyses have been completed.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
Caltrans	State of California Department of Transportation
CDBG	Community Development Block Grant
CS	Contract Services
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
PM	Project Manager
SCC	Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

All construction contracts are to be prepared by CS staff, reviewed by the PM prior to submission for execution, and reviewed as to form by the City Attorney's Office. Responsibility for the accuracy of the final document rests with PM.

AUTHORITY

Authority to change the terms of the City's Standard Contract rests solely with the City Attorney.

Contracts valued at or above \$100,000 must be approved by the Sacramento City Council. Contracts valued below \$100,000 can be approved by the City Manager and/or his designee, the Department Head.

RESPONSIBILITIES

Project Manager

- Resolving any conflicts that may arise regarding proposed contractor's compliance with the contract terms and conditions in coordination with the City Attorney's Office.
- Identifying all types of funding to be used for the contract (i.e. CDBG, FHWA, etc.).
- Completing a final review of the proposed contract developed by CS staff to ensure all elements required by the PM are covered before it is routed to other City officers for approval.
- Determining the date that the Notice to Proceed should be issued and requesting preparation of the notice by CS staff.
- Once the contract is awarded and executed, scheduling and coordinating a pre-construction meeting with the Construction Inspector.
- Completing the Construction Contract Processing Checklist (Attachment 2).

Contract Services

- Coordinating the collection of all information necessary for development of the contract, including obtaining required proof of insurance, performance and payment bonds, project guarantee, the contractor's signatures, and reviewing the Sole Source request form if applicable.
- Routing the contract for review/signature by required City/Department officers as identified by CS staff.
- Once the contract is awarded and executed, attending the project pre-construction meeting to review labor compliance requirements with the contractor, and issuing a Notice to Proceed at the direction of the PM (Attachment 1).
- Completing the Agreement Processing Worksheet (Refer to Attachment 1, Section 8-2) to verify that all information required for contract approval is in place.

REQUIREMENTS FOR AWARD OF CONSTRUCTION CONTRACTS

The following items are required in order to award a contract:

- Original signatures from contractor and appropriate City officer on one copy of the proposed contract.

- Proof of acceptable insurance coverage to required City limits within 10 working days of the Notice of Intent to Award.
- Performance and payment bonds within 10 working days of the Notice of Intent to Award.
- Project guarantee.
- Staff report to Council requesting approval of all contracts valued \$100,000 or greater.
- Completed Project Budget Analysis Form.
- Verification of available funds in the project budget.

PRE-CONSTRUCTION MEETING

Pre-construction meetings are required for all construction projects after award of the contract. The meetings are utilized to issue the Notice to Proceed, review labor compliance requirements, discuss project coordination, working days, utilities, permits, and other issues specific to the contract.

ATTACHMENTS

- Attachment 1: Sample Notice to Proceed
- Attachment 2: Construction Contract Processing Checklist

Sample Notice to Proceed

PROJECT NO.

Date
Contractor
Address
City, State, Zip

RE: Project Name and Number

Notice is hereby given you are authorized to commence work on the above referenced project on **Date**. You are legally required to begin work within fifteen (15) working days of this date. The entire work on the project must be completed within **# working days** from the date you actually begin work on the project or within fifteen (15) working days of the date of this notice, whichever occurs first. Forty eight (48) hours prior to starting work, please notify the Project Manager, **Name**. Please address all correspondence to:

Engineering Services Division
915 I St, Room 2000
Sacramento, CA 95814
Tel: (916) 808-XXXX
Cel: (916) XXX-XXXX
Fax: (916) 808-8281

Attn: **Inspector Name**

Please reference Project No. **CIP #** in all billing and correspondence. We look forward to a mutually successful project. The City of Sacramento is committed to the "Partnering Concept" of open communication and cooperative construction. In that spirit, please do not hesitate to contact us via phone at (916) 808-8277 or FAX at (916) 808-8281 if we can be of any assistance.

Respectfully,

Receipt Acknowledged, Contractor

Contracts and Compliance Specialist

Signature

Date

cc: **Project Manager**
Resident Construction Inspector

Shareen Kidd
file

Construction Contract Processing Checklist

TASK	CS Initial	PM Initial	COMMENTS
CS staff has prepared contract documents and coordinated receipt of needed documents from the contractor and required signatures from City officers.			
PM has prepared staff report to Council requesting authorization for contract award or rejection of bids.			
PM has scheduled pre-construction meeting upon confirmation of contract award by CS staff.			
Notice to Proceed issued by CS staff and labor compliance requirements have been reviewed with the contractor.			

Section Manager _____

Date _____

SECTION 8-10

Bid Protests

PURPOSE

This section establishes Division policy and procedures for handling bid protests.

DEFINITIONS / ABBREVIATIONS

CRC City Claims Review Committee
CS Contract Services
DOT City of Sacramento
 Department of Transportation
DOU Department of Utilities
PM Project Manager
SCC Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

The City has established a formal process for contractors to protest a staff recommendation on the award of contracts by the City Council. Protests may be filed by contractors on the basis of: (1) one or more bidders on the contract should be disqualified or rejected for any reason, (2) contesting a staff recommendation to award the contract to a particular bidder, or (3) contesting a staff recommendation to disqualify or reject one or more bidders on the contract.

It is Department policy that all City processes for bid protests are to be strictly followed to ensure that bidders have a fair opportunity to appeal staff recommendations and decisions.

AUTHORITY

Bid protest procedures are governed by SCC (Chapter 3.60, Article X) and administered by the City Clerk. The City Council has final authority to adopt the bid protest hearing examiner's decision and recommended action, adopt a different determination other than that recommended by the hearing examiner, or reject all bids.

OVERVIEW

Protesting bidders must:

- File the protest in writing with the City Clerk and the Department no later than five (5) working days of receipt of Notice of Intent to Award issued by CS staff.
- Deposit a non-refundable fee of \$750.00 to cover the cost of a hearing and hearing examiner at the time of filing.
- Identify the name of the department and project for which bid award is protested, the date of the bid opening and an explanation of the grounds for the protest.

Any bid protest not submitted as described above is to be declared invalid by the City Clerk and will not be considered. Valid protests will be forwarded to the affected department for investigation and coordination of a bid protest hearing.

All bid protest hearings are to be conducted by the Institute for Administrative Justice, and all hearing examiner decisions will be reviewed by the City Council for final disposition.

The City Attorney will represent DOT at all bid protest hearings and will determine which DOT staff will be required to testify at the hearing and what they will testify to.

RESPONSIBILITIES

Project Manager

- Investigating and providing analysis on the merits of the bid protest with respect to the technical requirements and specifications, including collecting documentation to support a finding of fact.
- Collaborating with the City Attorney and CS staff in developing the City's written response to the bid protest.
- Attending the bid protest hearing and testifying if required by the City Attorney.
- After consulting with the Section Manager, Division Manager and City Attorney, preparing the staff report to the City Council requesting either: adoption of the hearing examiner's decision and recommended action, adoption of a different determination other than that recommended by the Hearing Examiner, or rejection of all bids.

Contract Services

- Issuing a Notice of Intent to Award or Reject Bids to all bidders for a project and confirming receipt of the notice.
- Confirming receipt of a bid protest by the City Clerk and distributing copies of the written protest to the PM, City Attorney, Division Manager, DOT Director, and the protested bidder, and formally acknowledging receipt of the bid protest from the protesting bidder via certified mail.
- Investigating and providing analysis on the merits of the bid protest with respect to it not being found to be a responsive and responsible bidder in accordance with the general bid requirements, and assembling the documentation to support a finding of fact.

- Assisting the PM in developing a written response to the bid protest, as needed.
- Scheduling a bid protest hearing with the Institute for Administrative Justice and informing the PM, City Attorney, protesting and protested bidders of the date, time and location of the hearing at least five (5) working days prior to the scheduled hearing. Notice to the protesting and protested bidders is to be made by certified mail.
- Submitting copies of all relevant material including the original bid protest, project specification, and supporting documentation related to the bid protest to the hearing examiner within two (2) working days after scheduling the hearing, and submitting the City's written response to the bid protest to the protesting bidder, the protested bidder and the hearing examiner by no later than two (2) working days prior to the scheduled hearing.
- Attending the bid protest hearing and testifying if required by the City Attorney.
- Receiving and distributing the Hearing Examiner's decision and recommended action to the PM, City Attorney, Division Manager and DOT Director.
- Assisting the PM in developing the staff report to adopt, modify, or reject the Hearing Examiner's determination.

SECTION 8-11

Claims Hearings

PURPOSE

This section establishes Department policy and procedures for the handling of construction claims after a written request has been filed by the contractor.

DEFINITIONS / ABBREVIATIONS

CRC	City Claims Review Committee
CS	Contract Services
DOT	City of Sacramento Department of Transportation
DOU	Department of Utilities
PM	Project Manager
SCC	Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Contractor claims can be filed for any reason related to the work to be performed under contract. DOT staff will evaluate and process all claims in accordance with the required time frames specified in City Standard Specifications, the project Special Provisions, and this Section. It is the Department's policy that all contractor claims be evaluated fairly and resolved expeditiously to save time and money on the part of both the contractor and the City.

AUTHORITY

The claims process is governed by the City Standard Construction Specifications, and administered by Division staff. The Engineering Services Manager has the authority to conduct

a fact finding hearing to listen to the merits and decide the contractor's claim. If the contractor disagrees with the Engineering Services Manager's decision, the contractor may appeal the decision to the CRC. For DOT contracts, the CRC consists of the City's Chief Building Official, the Director of General Services, and the DOU Engineering Services Manager.

The DOT Director has final authority to adopt the CRC's recommended action, or adopt a determination other than that recommended by the committee. The City Council must approve any resulting change orders to resolve the claim which exceed the City Manager's authority. Refer to Section 8-13 for more specific detail on City Manager's authority.

OVERVIEW

Claims are typically filed by contractors when all reasonable attempts have been made by the PM and Inspector to settle disputes relating to:

- Extra work for which there is a dispute regarding compensation or whether the work was authorized.
- Unforeseen site conditions or changes in the character of the work.
- Project delays.
- Changes in the cost of materials.
- Unilateral change orders.

All notices of potential claims must be made in writing. All responses to claims are to be made in writing with the specific facts supporting the response stated and sent to the contractor by certified mail. If the contractor requests a claim hearing with the Engineering Services Manager to resolve the dispute, the request is to be

made in writing within 15 calendar days of receipt of the City's response.

The Engineering Services Manager's review of the facts and decision at the completion of the hearing will be the Division's final decision on the matter.

Contractors may request a hearing for the purpose of reviewing the Engineering Services Manager's decision by the CRC within fourteen (14) calendar days of receipt of the decision. After the matter is heard by the CRC, its written recommendation is to be forwarded to the DOT Director for a final decision no later than ten (10) working days after the hearing. The Director's decision is the City's final position on the matter, and is to be mailed to the contractor by certified mail.

RESPONSIBILITIES

Project Manager

- Receives and responds to a Notice of Potential Claim received directly from the contractor or through the Inspector in a timely manner. Responses to claims must be made in writing, and sent by certified mail to the contractor.
- Notifies CS staff when a request for a claim hearing is made by the contractor and provides analysis and factual information about the claim to support the City's position at the Engineering Services Manager's hearing.
- Plans, organizes, and attends the review hearing with the CRC and presents the City's position on the claim.
- Coordinates with CS staff to implement any final decision rendered by the DOT Director.

Contract Services

- Schedules a claim hearing with the Engineering Services Manager, and informs the Engineering Services Manager, PM, Inspector and contractor of the date, time and location of the hearing at least five (5) calendar days prior to the scheduled date. Notice to the contractor is to be made by certified mail.
- Assists the Engineering Services Manager in preparing a claim hearing decision and mailing the decision to the contractor via certified mail.
- If a request for a review hearing of the Engineering Services Manager's decision with the CRC is made, forwards the request, original claim, the Engineering Services Manager's decision, and any related materials to the CRC no later than ten (10) calendar days after receipt of a request for the review.
- Attends the review hearing with the CRC, if necessary.
- Coordinates with the PM to implement any final decision rendered by the DOT Director.

Engineering Services Manager

- Conducts the Division Manager's claim hearing, reviews all supporting documentation submitted by all parties, and renders a decision on the behalf of the Division.
- Attends the CRC hearing and represents the Division's position on the claim.

SECTION 8-12

Labor Compliance

PURPOSE

This section establishes Division policy and procedures for monitoring of prevailing wages, apprenticeship requirements, withholding of payments, and assessment of penalties on DOT construction contracts.

DEFINITIONS / ABBREVIATIONS

SCC	Sacramento City Code
CS	Contract Services
DIR.....	Department of Industrial Relations
DOT	City of Sacramento Department of Transportation
FHWA	Federal Highway Administration
PM	Project Manager
DBA	Davis Bacon Act - Federal Prevailing Wage
CDBG	Community Development Block Grant

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Prevailing wage policy for City of Sacramento projects is subject to either City's provisions or to Federal provisions. Contracts governed under the City's provisions require the payment of prevailing wages if they have a value of \$25,000 or more. Federal prevailing wage requirements apply to all projects funded with FHWA and CDBG funds in excess of \$2,000. All projects are to comply with the City and

Federal prevailing wage requirements as applicable.

Construction trades subject to prevailing wage requirements are listed on the DIR website, and for Federal projects, in the contract documents. Beyond typical construction trades, construction inspection staff and soils and materials testing personnel are also covered by prevailing wage requirements.

All projects requiring the payment of prevailing wages are subject to certified payroll submissions, and periodic audits. In addition contractors' employees are to be interviewed in the field on a periodic basis to verify the payment of prevailing wages.

AUTHORITY

The City Manager or designee has the authority to mandate the payment of prevailing wages based upon SCC Section 3.60.180 and Section 1771.5 of the California Labor Code. Prevailing wages subject to Federal provisions are derived from the Davis-Bacon Act of 1963.

The Contracts and Compliance Specialist or his or her designee has the authority to monitor the payment of prevailing wages, conduct audits and field interviews, and withhold payments to contractors for non-compliance.

RESPONSIBILITIES

CS staff is responsible for including the appropriate contract provisions relating to labor compliance in the contract documents, and monitoring and enforcing prevailing wage requirements and labor compliance on DOT projects, including apprenticeship standards and other apprenticeship provisions.

LABOR COMPLIANCE PROCESS

The following activities are undertaken by CS staff during the construction phase of a project:

- Informing contractors of all labor compliance requirements at the pre-construction meeting to avoid any misunderstanding of the City's prevailing wage requirements or Federal prevailing wage requirements.
- Notifying the PM in writing of all non-compliance matters related to delinquent certified payroll reports and other missing compliance information prior to any progress payment being withheld or enforcement action taken against a contractor.
- Providing on-going labor compliance technical assistance to contractors during the construction phase of the project to prevent labor compliance conflicts.
- Verifying that all required weekly certified payroll reports have been submitted by the prime contractor and first tier subcontractors.
- Verifying which payroll documents are due by reviewing the daily inspection reports. If any outstanding payroll documents are due, CS staff will contact the prime contractor in writing to correct payroll deficiencies and specify a deadline for submitting overdue documents. Other compliance documentation may be required depending on the source of funding.
- Reviewing certified payroll reports to verify that correct prevailing wage rates are being paid. If the wrong rates are paid, CS staff will determine the amounts of prevailing wage underpayment due to the contractor's employees. CS staff will require that restitution of prevailing wages be paid to the affected employees. A withhold of payments notification with the correct amounts highlighted will be made to the

contractor. When the prime contractor provides proof that wage restitution has been made, the notification will be rescinded.

- Conducting employee wage interviews as required by the City and Federal prevailing wage regulations. Workers are interviewed at the project site to verify that they are receiving appropriate wages. A total of 2-3 employee interviews per trade are typically conducted during the course of the project. CS staff will review certified payroll reports against employee interviews to verify correct payment.
- Reporting any violation(s) of prevailing wage requirements immediately to the PM, prime contractor and Division Manager upon discovery. CS staff will determine the appropriate action required by City or Federal provisions to remedy the problem.

APPRENTICESHIP REQUIREMENTS

On federally-funded projects, apprentices are required for any project with an estimated completion time of 100 working days or more. The total number of apprentices required is based on the project Engineer's Estimate. For all other projects, the required ratio of journeymen to apprentices is 5:1 with few exceptions.

The utilization of apprentices working on City or federally funded contracts is governed by the SCC Section 3.60.190 and Section 1777.5 of the California Labor Code. CS staff will review the apprenticeship requirements with the contractor at the pre bid conference. If a contractor fails to comply with the provisions of the City Code, the City may report the contractor(s) to the State of California Division of Apprenticeship Council for action as necessary under Section 1777.7.

LABOR COMPLIANCE WITHHOLD OF PROGRESS PAYMENT

When a contractor fails to submit certified payroll reports or is not in compliance with the City and Federal labor provisions, a written notification is to be sent to the contractor by CS staff, with a copy to the PM. The notification is to identify the non-compliance deficiency and request that the deficiency be corrected within 10 calendar days. The contractor is also to be advised that monetary deductions will be made for failure to correct the deficiency.

Should the contractor fail to correct the first notice before the next progress payment, CS staff will notify the contractor by certified mail and begin a deduction action against the contractor. The deduction is to be made within 10 calendar days after notification of a contractor's failure to correct a deficiency in the reporting requirements. The deduction to be made is ten percent (10%) of the estimated value of the work done during the month, not to exceed ten thousand dollars (\$10,000), nor be less than one thousand dollars (\$1,000.00) and will be deducted from the next progress payment.

When all deficiencies for a period have been corrected, the deduction will be released on the next progress payment.

CS staff will report any progress payment deduction immediately to the PM, prime contractor and Division Manager.

ASSESSMENT OF PENALTIES

For any labor compliance violation that results in penalties assessed against the contractor, CS staff will conduct a full investigation of the facts and circumstances of the case. The facts of the case will determine whether the wage violation was inadvertent, a mistake, or a willful violation. Based on the intent of the violation, CS staff will determine the penalty amount to be assessed against the contractor in accordance with the provisions of the contract and the California Labor Code.

LABOR COMPLIANCE CLOSE OUT

CS staff will complete the labor compliance checklist form (see Attachment 1) to verify that all labor compliance documentation has been received by the contractor and that it is placed in the project file. CS staff will notify the PM in writing that all compliance information has been received and is completed.

ATTACHMENT

Attachment 1: Labor Compliance Checklist

Labor Compliance Checklist

Project Name: _____ Project Number: _____ Prime Contractor: _____	Project Start Date: _____ Project Completion Date: _____
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CS staff will complete the labor compliance checklist form to verify that all labor compliance documentation has been received by the contractor(s) and that it is placed in the project file. CS will notify the PM in writing that all compliance information has been received and is completed.

Check one of the following:

- Project is funded by the City
 Project is funded by the Federal government

1. **Date of Pre-Construction Conference** (Attendees list in contract file). _____

2. **Authorization:**
 - Date of the "Authorization to Proceed with Construction" _____
 (Shall be prior to date project was advertised)
 - Date the project was advertised _____

3. **Labor Compliance Files:**
 - Files are in an established order and separate from other contracts. Yes No

4. **Labor Compliance:**
 - Certified payrolls have been spot-checked against daily diaries and prevailing wages. Yes No
 - Contractor(s) payroll submitted. Yes No
 - Wages paid at prevailing rate scale. Yes No
 - Employee interviews on file. Yes No
 - Employee interviews reflect problem. Yes No
 - Labor compliance forms received. Yes No

5. **Benefits:**
 - Fringes paid in cash. Yes No
 - Fringes paid to trust funds. Yes No
 - Approved trust fund. Yes No

6. **EEO:**
 - EEO records have been maintained to ensure EEO requirements have been performed and documented in contract compliance files. Yes No

7. **Apprentices:**
 - Requirements are included in the contract. Yes No
 - If yes, documentation will be retained in project files to account for the apprentices on the job.

8. **Investigation:**
 - Wage underpayments. Yes No If yes, number of underpayments _____
 - Workers underpaid. Yes No If yes, number of workers underpaid _____

9. **Full Compliance Achieved.** Yes No _____

 Contract Services

 Date

SECTION 8-13

Execution of Change Orders & Supplemental Agreements

PURPOSE

This section establishes Division policy and procedures for execution of contract change orders and supplemental agreements to consultant contracts once they have been prepared by the PM.

DEFINITIONS / ABBREVIATIONS

API	City Administrative Policy Instruction
CO	Change Order
CS	Contract Services
DOT	City of Sacramento Department of Transportation
PM	Project Manager
SA	Supplemental Agreement
SCC	Sacramento City Code

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Approval of Construction Change Orders is to be in accordance with Section 4-8, Change Orders of the Project Delivery Manual.

No changes to the terms of a professional services contract (scope of work, compensation, time, etc.) are to be made, verbally or in writing, without a fully executed Supplemental Agreement.

All change orders (COs) and supplemental agreements (SAs) are to be prepared by the PM, reviewed by CS staff prior to submission for approval and execution, reviewed as to form by the City Attorney's office, and routed for review and sign-off by CS staff using a standardized list of reviewers.

AUTHORITY

COs and SAs which do not raise the aggregate contract or agreement amount to \$100,000 or above can be approved by the City Manager and/or his/her designee, the Department Head (API #22). For limits of City Manager Authority, see Attachment 1.

COs and SAs exceeding the City Manager's authority, or any single CO and SA valued at or above \$100,000, must be approved by the City Council.

RESPONSIBILITIES

Project Manager

- Negotiates and prepares COs and SAs using FileMaker Pro.
- Signs and submits the CO or SA to Contract Services.
- Prepares a CIP Budget Analysis Form (refer to Attachment 1, Section 8-3) along with a current City Info financial report to CS staff for processing of the CO or SA.
- Prepares a staff report for City Council approval, if required.

Contract Services

- Coordinates the collection of all information necessary for processing and executing the COs and SAs.
- Obtains signatures from the contractor/consultant.
- Verifies available funding.
- Determines signature authority required to execute the document.
- Routes the CO/SA for review and signature by required City/Department officers as identified by CS staff.
- Distributes copies to the contractor/consultant, PM, and appropriate Funding & Project Development staff, and places a copy in the CS project file.

ATTACHMENT

Attachment 1: Contract Services Change Order/Supplemental Agreement Processing Worksheet

Contract Services Change Order/Supplemental Agreement Processing Worksheet

Project Name: _____ Job #: _____

Original Contract/Agreement Value	Maximum City Manager Authority of all Supplements and Change Orders
\$0 to \$99,999	Total including all changes must remain below \$100,000
\$100,000 to \$249,000	\$25,000
\$250,000 to \$999,999	10%
\$1,000,000 to \$9,999,999	8%
\$10,000,000 and over	6%
<i>Any single supplement or change order over \$100,000 automatically requires Council approval regardless of original contract/agreement value</i>	

Date	Original Contract Value		% of Contract
	CCO/SA #1		
	Cumulative		

This Supplement/Change Order within limits for Director signature: _____

This Supplement/Change Order subject to Council approval: _____

Council Date: _____

City Manager Authority Reset on: _____

Maximum City Manager CCO/SA Percentage Authority (this contract) _____

Maximum City Manager CCO/SA Dollar Authority (this contract): \$ _____ -

Authority Remaining Prior to this Supplement/Change Order: \$ _____ -

Authority Remaining After this Supplement/Change Order: \$ _____ -

Selection Process Used to Obtain Contractor/Consultant:

Invitation for Bid (Construction) Date: _____

Project Budget

- Budget Analysis Summary Report Attached
- Current CIP Expenditure Report Attached

Additional Comments:

This document has been reviewed and cleared for signature:

 Contracts & Compliance Specialist

 Date