

# CONSULTANT SELECTION GUIDEBOOK

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## Procedures for Selecting Consultants for FHWA Federal-Aid Projects and State Funded Projects



STATE OF CALIFORNIA  
Department of Transportation  
Division of Local Assistance  
Office of Procedures Development

January 2002 (revised)

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May 2001

Representatives of California Local Government:

This Guidebook provides an overview of procedures for consultant selection. The local agencies that intend to request federal and state funds for reimbursement of consultant services shall follow specific selection and contracting procedures. These procedures ensure that the consultant's professional qualifications meet the needs of the services to be performed, the payment method is appropriate, and the cost is fair and reasonable to the public agency. Please note also that local agencies cannot be reimbursed with federal or state funds for consultant selection costs incurred prior to an authorization to proceed.

More comprehensive and detailed explanations of consultant selection and contracting procedures are provided in the *Local Assistance Procedures Manual*, Chapter 10, available on the Internet at the following website: [www.dot.ca.gov/hq/LocalPrograms/](http://www.dot.ca.gov/hq/LocalPrograms/).

For further assistance, contact your Caltrans District Local Assistance Engineer listed on page 29 of this Guidebook.

Sincerely,

TERRY L. ABBOTT  
Acting Chief  
Division of Local Assistance



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## INTRODUCTION

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**Purpose** A city, county, or other local public agency may engage consultants to perform architectural, engineering, and related services needed to develop federal funded and/or state funded transportation projects.

This guide summarizes the consultant selection procedures to be followed by local agencies that intend to qualify for federal and/or state reimbursement of consultant services costs.

**Legislative Requirements** The Code of Federal Regulations requires that a local public agency shall provide for a fair, open, and competitive process based on demonstrated competence and professional qualifications in selecting consultants, if the consultant costs are to be eligible for federal reimbursement. Qualified Disadvantaged Business Enterprises (DBE) consultants must be given the same opportunity to be considered for selection.

California law requires that selection by a local public agency of private architectural, engineering, environmental, land surveying, or construction project management services shall be on the basis of demonstrated competence and on the professional qualifications necessary for the satisfactory performance of the services required. Local agencies shall not request a cost proposal until after the final rank has been determined. Contracts shall be negotiated with the most qualified firm, at a price determined to be fair and reasonable to the local agency.

Consultants for services other than architectural, engineering, environmental, land surveying, or construction project management services may be selected on the basis of qualifications and cost, with cost being the major criterion.

**Local Assistance Procedures Manual** Local agencies intending to request federal and/or state funds for reimbursement of consultant services must follow the selection and contracting procedures detailed in Chapter 10 of the Caltrans' *Local Assistance Procedures Manual*. Such procedures must ensure that the consultant's professional qualifications are adequate for the specific services to be performed, that the payment method is appropriate, and that the cost is fair and reasonable to the public agency.

A local agency that wants to qualify for federal and/or state reimbursement, and also wants to use a selection process different than that described in the *Local Assistance Procedures Manual* must obtain advance approval of its process from the Federal Highway Administration (FHWA) and/or Caltrans before it solicits consultant services.

## INTRODUCTION

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### **Architectural and Engineering Consultants Defined**

Architectural and Engineering (A&E) consultants are those private consulting firms providing architectural, landscape architectural, engineering, environmental, land surveying, or construction project management services.

### **Pre-award Audits**

Federal regulations require a pre-award audit when the consultant agreement is over \$250,000. This requirement applies to amendments that are greater than \$250,000 and amendments that, in the aggregate, increase the original agreement amount to over \$250,000.

The purposes of a pre-award audit are (1) to ensure the A&E consultant has a satisfactory accounting system for tracking costs to be charged to the local agency, (2) to provide the local agency with professional advice on accounting and financial matters, and (3) to assist in the award and administration of proposed consultant contracts.

Objectives of the pre-award audit are to evaluate the consultant's proposed cost accounting system, estimating system, administrative system, cost proposal, contract provisions, and appropriate financial condition including cash flow. Any problems identified in the pre-award audit must be resolved before negotiations are concluded and the consultant contract executed.

The pre-award audit may be performed by the local agency, or a Certified Public Accountant hired by the local agency. The local agency may request Caltrans Audits and Investigations to perform the pre-award audit. If Caltrans performs the pre-award audit, it will be completed at no cost to the local agency and within approximately 30 calendar days as workload permits and depending on the complexity of the contract.

### **Disadvantaged Business Enterprise (DBE) Requirements**

The Code of Federal Regulations requires that a local agency receiving federal funds must encourage DBE participation in all consultant contracts. These regulations require that the local agency must have an approved DBE Program and an annual goal. The DBE Program and annual goal must be established before Caltrans will give authorization to proceed with any phase of the project.

The consultant must meet the DBE goal specified in the consultant contract or make a "good faith effort" in attempting to meet the goal. Any DBE subconsultant must be replaced with another DBE subconsultant or the consultant must make a "good faith effort" in finding a substitute DBE subconsultant, to the extent needed to meet the goal.

In addition, there is certain DBE language that must be included in the agreement. DBE goals are not required by state law for state or locally only funded contracts.



## INTRODUCTION

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For additional DBE information, refer to the *Local Assistance Procedures Manual*, Chapter 9, or to the Local Assistance website at [www.dot.ca.gov/hq/LocalPrograms/](http://www.dot.ca.gov/hq/LocalPrograms/).

**Enhanced Services** Timely use of funds and project delivery along with efficient expenditure of funds were emphasized with the passage of SB 45 and AB 1012. As a result, Caltrans adopted an Enhanced Services Program. This Program provides limited resources for Caltrans to assist the local agency in evaluating and selecting the consultant. Local agencies desiring this service should contact their District Local Assistance Engineer. The following services that may be provided are:

- Review and guidance of the consultant selection process
- Review of advertisements prepared by the local agency
- Assist the local agency with DBE requirements
- Participation in selecting the consultant
- Help with contract negotiations

**Authorization to Proceed** Before commencing on a phase of a project, including selecting a consultant, for which the local agency wishes to be reimbursed, the respective phase must be authorized, in advance, by Caltrans. This authorization may involve either federal or state funding, or both, depending on the type of project financing. Any expenses incurred by the local agency prior to authorization by Caltrans will not be reimbursed.

Federal phases requiring advance authorization are:

- Preliminary Engineering (including Environmental)
- Utilities (if involved)
- Right of Way (if involved)
- Construction and Construction Engineering

State phases requiring advance authorization for the State Transportation Improvement Program projects are:

- Environmental and Permits
- Design (or Preliminary Engineering)
- Right of Way (if involved)
- Construction and Construction Engineering

In addition, any expenses incurred by the consultant prior to execution of the consultant agreement will not be reimbursed.

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# 1 GETTING STARTED

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**Select the Project** Local agencies are responsible for selecting and initiating federal-aid and state funded transportation projects. Project phase selection will be influenced by a project's need, personnel, workload, acceptability, and the timing of studies, financing, and construction. The local agency should identify the objectives which the project is to attain, including the general level of improvement or service, operating standards, and the target date for project completion.

**Identify Need for Consultants** The need for consultants will be identified by comparing the project objectives and schedule with the local agency's capabilities, its staff availability, and its funding resources.

**Appoint the Contract Administrator** The Contract Administrator will be named in the consultant agreement, will be responsible for the quality of contract products or services, and should be involved throughout the development of the contract provisions. The Contract Administrator's duties include but are not limited to:

- Providing direction to ensure that the contract is advertised properly, that the Scope of Work and Request for Qualifications (RFQ), or Request for Proposal (RFP) (if used) are prepared and distributed, and that the draft contract is correct and complete.
- Arranging for preparation of a confidential estimate of the cost of the work, and an analysis of the selected consultant's cost proposal; and serving as the successful consultant's primary contact person.
- Reviewing, or coordinating review of the consultant's work and providing direction.
- Approving the consultant's progress payments.
- Tracking agreement costs, DBE usage, expiration date, and need for amendments.

**Determine the Project Schedule** A schedule of the time for performance of all work and completion of the project should be developed. It should include sufficient time at the beginning to allow for selecting consultants and developing consultant contracts.

# 1 GETTING STARTED

**Segment Consultant Work** Consultant services are most effective when consultant work is segmented appropriately. The extent of segmenting will depend upon the type and complexity of the work. The following illustration shows several satisfactory ways to segment consultant activities.

	Well-Structured Projects With Simple Right of Way Requirements	Well-Structured Projects With Complex Right of Way Requirements	More Difficult Projects	Very Complex Projects
Preliminary Engineering	█	█	█	█
Environmental Analysis	█	█	█	█
Plans, Specifications and Estimate (PS&E)	█	█	█	█
Right of Way Activities	█	█	█	█
Utilities	█	█	█	█
Construction Engineering	█	█	█	█

It is best to combine preliminary engineering tasks with preparation of the required environmental analysis. Preparing an environmental assessment or environmental impact statement is more than simply writing a report. It includes preliminary engineering needed for analyzing project alternatives and producing an engineering and planning assessment. It is necessary to perform only as much traffic and engineering analysis of alternatives as is needed to produce a sound environmental assessment or environmental impact statement. Production of plans, specifications, and estimate (PS&E) must be delayed until environmental clearance has been received if federal and/or state reimbursement is desired.

# 1 GETTING STARTED

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**Specify Products to be Delivered** The Contract Administrator should identify the products and services which are to be delivered as a result of contract work. These will vary depending upon the type of project and/or phase being contracted out.

**Define Scope of Consultant Work** The scope of work, which must be included in the contract, is a detailed description of the products or services to be provided by the consultant. Sufficient detail should be provided so consultants responding to a project advertisement can determine the types of personnel required for the work and the time needed, and develop a cost proposal or technical proposal and person-hour estimate for the contract.

**Establish DBE Participation** Local agencies receiving federal funds must take affirmative steps to assure that DBE consultants are given opportunity to participate. Such steps include soliciting DBE firms and, when feasible, organizing the project schedule and task requirements to encourage participation by DBE firms. In addition, DBE goals must be established for the consultant agreement.

**Estimate Cost of Consultant Work** An independent local agency cost estimate is needed to ensure that consultant services are obtained at a price that is fair and reasonable. It must be prepared in advance so the local agency's negotiating team has a detailed cost analysis of the project to evaluate the strengths and weaknesses of the consultant's cost proposal.

A good cost estimate can be prepared only if the scope of work is defined clearly. The scope of work must include a list of the products or services which the consultant will be required to deliver, and a schedule of when they must be delivered.

The local agency estimate, which is to be kept confidential (to the extent permitted by law), must include a breakdown of direct labor cost, indirect labor cost (fringe benefits), indirect cost, general and administrative costs, other direct costs, subconsultant costs, and fee. If the contract involves several milestones/projects, a separate estimate should be prepared for each milestone/project, together with a summary of the total estimated cost of the services to be provided by the contract.

**Determine Type of Contract** The contract must specify how the consultant is to be paid. Four methods of payment are permitted on consultant contracts:

- Actual Cost plus Fixed Fee
- Cost per Unit of Work
- Specific Rates of Compensation
- Lump Sum

# 1 GETTING STARTED

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**Actual Cost Plus Fixed Fee** This is the most common method of payment. The consultant is reimbursed for actual costs incurred plus an additional predetermined amount as a fixed fee. The fixed fee is not adjustable for the life of the contract except where there is a material change in the scope of the work, in which case the fee may be re-negotiated.

This method of payment is appropriate when the extent, scope, complexity, character, or duration of work are indeterminable at the time of negotiation. It also is appropriate when the work is such that the agency lacks the experience or knowledge needed to evaluate the consultant's proposal and support a lump-sum amount.

**Cost Per Unit of Work** The consultant is paid based on the work to complete a unit of work (such as per plan sheet, per report, etc.). This method of payment is appropriate to use when the cost per unit of work can be determined with reasonable accuracy in advance. Contract payment provisions are to specify what is included in the price to be paid for each item.

**Specific Rates of Compensation** The consultant is paid an agreed and supported specific fixed hourly, daily, or monthly rate for each class of employee or piece of equipment used directly in the work. Such rates of compensation include the consultant's estimated costs and fixed fee. The specific rates of compensation are to include an hourly breakdown, direct salary costs, salary additives, indirect costs, and fixed fee. Other direct costs may be set forth as an element of the specific rate or may be included as independent cost items.

This method of payment is used for "on-call" contracts (time and materials contracts), but should be considered for other contracts only when none of the other three methods of payment can be used. It should be considered only for items of work that are relatively minor. Construction inspection contracts and equipment used on consultant contracts should use this method of payment.

**Lump Sum** The consultant performs the services stated in the agreement for an agreed amount as compensation. It is appropriate only if the extent, scope, complexity, character, and duration of the work have been defined enough to permit just compensation to be determined and evaluated by all parties during negotiations.

## 2 DETERMINE METHOD OF CONSULTANT SELECTION

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**Consultant Contracts under \$100,000** Service Agreements and other consultant agreements costing, in the aggregate, no more than \$100,000 per project, may be obtained through a relatively simple and informal method of procurement. This informal method must be sound and appropriate for procurement of consulting services, and justification for the selection must be documented and supported. The method of procurement must be an open and competitive process in selecting consultants and should consider a minimum of three different consultants. Qualified Disadvantaged Business Enterprises (DBE) must be considered for selection on federal-aid contracts.

**Consultant Contracts over \$100,000** One of three methods is used normally in selecting a consultant. The method used will depend upon the scope of work, the services required, the project's complexity, and the time available for consultant selection.

**“One-Step, RFP” (Request for Proposal, followed by Negotiations)** The “One-Step, RFP” method may be used when the consultant service is highly specialized and there are few qualified consultants. This method also may be used when a local agency has a modest number of projects per year and the expected number of proposals is small.

In this method, consultants simultaneously submit a Technical Proposal and Statement of Qualifications. Proposals by all consultants are evaluated based upon criteria outlined in the RFP, and a short list of qualified consultants is developed. A final ranking of qualified consultants is developed, and negotiation begins with the most qualified consultant after a cost proposal has been received.

**“One-Step, RFQ” (Request for Qualifications, followed by Interviews and Negotiations)** The most common selection process is the “One-Step, RFQ” method, which is used when typical services (such as preparation of PS&E) are required and there are many consultants. It also is used when a local agency produces many projects and there are numerous consultants who wish to participate.

The consultant submits a Statement of Qualifications (SOQ) in response to a Request for Qualifications (RFQ). The responding consultants are ranked by a Consultant Selection Committee which develops a short list of qualified consultants who are invited for interviews. The final ranking of consultants is based on the interviews, and negotiation begins after the most qualified consultant has provided a cost proposal.

## 2 DETERMINE METHOD OF CONSULTANT SELECTION

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### **“Two-Step, RFQ/RFP” (Request for Qualifications, followed by Request for Proposal and Negotiations)**

The “Two-Step, RFQ/RFP” method may be used when the scope of work is complex or unusual. It also may be preferred by local agencies that are apprehensive about negotiations and procedures for establishing compensation. However, it requires substantially more work and time than the other two methods described above.

In the “Two-Step” process, the consultant submits a Statement of Qualifications (SOQ) in response to a RFQ. Responding consultants are ranked by a Consultant Selection Committee, and the short-listed consultants receive a Request for Proposal (RFP) and respond with a Technical Proposal. The most qualified consultants are placed in a final ranking, and negotiation begins after the most qualified consultant has provided a cost proposal.

### **Noncompetitive Negotiated Agreements (Sole Source Agreements)**

A noncompetitive, negotiated contract may be developed when special conditions arise. Conditions under which noncompetitive negotiated contracts may be acceptable include:

- Only one organization is qualified to do the required work.
- An emergency of such magnitude exists that delay cannot be permitted.
- The federal grantor agency authorizes noncompetitive negotiation.
- Competition is determined to be inadequate after solicitation of a number of sources.

The local agency shall:

- Follow its defined process for noncompetitive agreement.
- Develop an adequate scope of work, evaluation factors and cost estimate.
- Conduct negotiations to ensure a fair and reasonable cost.

Details of the special conditions must be documented carefully, and written approval must be obtained from FHWA and Caltrans prior to contract execution to obtain federal and/or state reimbursement.



### **3 SELECTING CONSULTANTS: “ONE-STEP, RFP” METHOD (Request for Proposal, followed by Negotiation)**

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#### **Appoint Consultant Selection Committee**

A Consultant Selection Committee is appointed at the beginning of the consultant selection process. The committee reviews materials submitted by consultants, develops a short list of qualified consultants, and develops a final ranking of most qualified consultants. Selected members of the Selection Committee negotiate costs with the consultant.

#### **Develop Technical Criteria for Evaluation of Proposal**

The Contract Administrator is responsible for developing the technical criteria, and their relative weight, which will be used to evaluate and rank consultant proposals.

#### **Develop Schedule for Consultant Selection**

Before the contract is advertised, the Contract Administrator is to complete a contract schedule, including key dates for consultant selection activities. Target dates must be confirmed with all members of the Selection Committee before completing the schedule.

#### **Prepare Request for Proposal (RFP)**

Information required in a Request for Proposal includes:

- Description of Project
- Scope of Work
- Schedule of Work
- Proposal Format
- Method and Criteria for Selection
- Contract DBE Goals for Federal-aid Contracts

The RFP should specify the content of the proposal to be submitted, the number of copies required, and the due date. Four weeks are usually allowed between the time the RFP is mailed and the time that proposals must be submitted. More time may be required for very complex contracts or projects.

Items typically required in a technical proposal are:

- Work Plan (Specify what is to be covered in the discussion of approach. In some instances, it may be desirable to limit the description or approach.)
- Organization chart
- Schedule
- Staffing plan
- Staff resumes
- Names of the consultant’s Project Manager and the individual authorized to negotiate the contract on behalf of the consulting firm
- References
- Information about the consultant’s use of Disadvantaged Business

### **3 SELECTING CONSULTANTS: “ONE-STEP, RFP” METHOD (Request for Proposal, followed by Negotiation)**

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Enterprises for federal-aid contracts

The RFP shall specify the evaluation procedures and criteria to be used in selecting consultants. It also must indicate where technical proposals are to be delivered, and should describe the anticipated schedule of activities related to the RFP. The RFP must state if it is for more than one project.

**Advertise for Consultants** The local agency advertises the availability of the RFP in a major newspaper of general circulation and/or technical publication of widespread circulation. RFP’s also shall be sent to organizations known to be qualified to do the specified work, to professional societies, and to recognized DBE organizations. In some cases, it may be desirable to advertise nationwide for a particular project or service. The DBE Goal must be stated in the solitation or advertisement package.

**Issue Request for Proposal (RFP)** The local agency shall issue the RFP to all consultants responding to the advertisement.

**Conduct Proposers’ Conference or Answer Written Questions** The local agency may allow for clarification of the RFP by inviting submittal of written questions or by conducting a proposers’ conference, or by doing both.

Responses to written questions are to be mailed to all consultants receiving an RFP. No response should be given to verbal questions.

If a proposers’ conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposers’ conference normally is not mandatory. In order to avoid confusion, meeting notes will not be sent to consultants who do not attend the proposers’ conference.

**Receive and Evaluate Technical Proposals and Statement of Qualifications** The Contract Administrator is to determine that each proposal contains all the information required by the RFP. Proposals may be considered non-responsive and rejected without evaluation if all required information is not provided. For example, late submittals, submittals to the wrong location, and submittals with inadequate copies are non-responsive and shall be rejected, and submittal of additional information after the due date shall not be allowed.

### **3 SELECTING CONSULTANTS: “ONE-STEP, RFP” METHOD (Request for Proposal, followed by Negotiation)**

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The members of the Consultant Selection Committee must evaluate each proposal in terms of the technical criteria which were listed in the RFP, and must evaluate reference checks and other information that is gathered independently.

**Develop Final Ranking of Consultants** The Selection Committee should discuss and document the strengths and weaknesses of each consultant and develop a final ranking of the most qualified consultants.

**Notify Consultants of Results** All consultants that submitted proposals must be informed of the final ranking of consultants. It is important that all competing consultants receive the same information.

**Negotiate Contract with Top-Ranked Consultant** The top-ranked consultant is asked to submit a cost proposal, and the local agency proceeds to negotiate a contract with that consultant. The goal of negotiations is to agree on a final contract that will deliver the services or products at a fair and reasonable cost to the local agency. The independent cost estimate developed previously by the local agency is an important basis for negotiation. Negotiations should not be completed until a pre-award audit report is received and any issues resolved.

Items negotiated typically include:

- Work plan
- Schedule
- Hours
- Quantities
- Products to be delivered
- Classification and experience level of personnel to be assigned
- Cost items, payments and fee

For a federal-aid contract, a consultant will be awarded the contract only if it has either met the DBE contract goal or demonstrated a “good-faith effort” to do so.

Negotiations are to be terminated if the local agency fails to conclude an agreement with the top-ranked consultant; new negotiations are then started with the consultant ranked next-highest. The process is repeated until a contract is negotiated successfully.

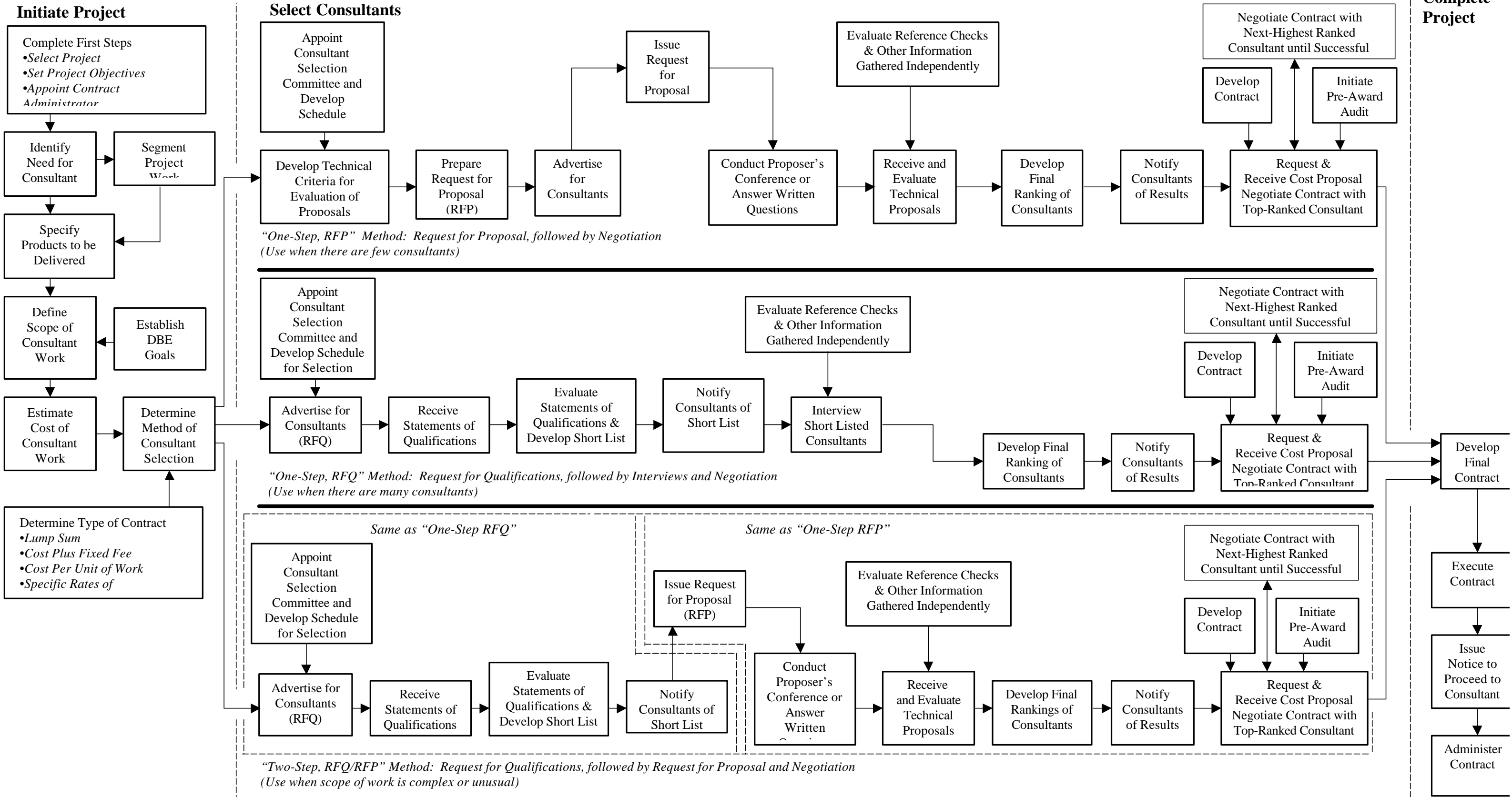
**3 SELECTING CONSULTANTS:  
“ONE-STEP, RFP” METHOD  
(Request for Proposal, followed by Negotiation)**

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# FLOW CHART SELECTING CONSULTANTS

## SELECTING CONSULTANTS



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#### **4 SELECTING CONSULTANTS: “ONE-STEP, RFQ” METHOD (Request for Qualifications, followed by Interviews and Negotiation)**

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**Appoint Consultant Selection Committee** A Consultant Selection Committee is appointed at the beginning of the consultant selection process. The committee reviews materials submitted by consultants, develops a short list of qualified consultants, and develops a final ranking of most qualified consultants. Selected members of the Selection Committee negotiate costs with the consultant.

**Develop Schedule for Consultant Selection** The Contract Administrator is to complete a contract schedule, including key dates for consultant selection activities, before the contract is advertised.

**Advertise for Consultants** Advertisements may take one of two forms. The most common form of advertisement is publication of the Request for Qualifications (RFQ). The RFQ shall contain enough information so that interested consultants can submit an appropriate Statement of Qualifications (SOQ). The advertisement must state if the RFQ is for more than one project.

The local agency advertises the availability of the RFQ in a major newspaper of general circulation and/or technical publication of widespread circulation. RFQs also shall be sent to organizations known to be qualified to do the specified work, to professional societies, and to recognized DBE organizations. In some cases, it may be desirable to advertise nationwide for a particular project or service. The DBE Goal must be stated in the solicitation or advertisement package.

**Receive and Evaluate Statements of Qualifications and Develop Short List** The first step in the evaluation process is to determine that each submittal contains all information required by the RFQ. Submittals may be considered non-responsive and rejected without evaluation if all required information is not provided. Late submittals, submittals to the wrong location, and submittals with inadequate copies are non-responsive and shall be rejected, and submittal of additional information after the due date shall not be allowed.

The Consultant Selection Committee reviews the submitted Statements of Qualifications according to the published evaluation criteria and weighting factors. The committee establishes a short list of consultants who are best qualified to perform the contract work. The short list should include enough qualified consultants to ensure that at least three candidates will be interviewed.

#### **4 SELECTING CONSULTANTS: “ONE-STEP, RFQ” METHOD (Request for Qualifications, followed by Interviews and Negotiation)**

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**Notify Consultants of Short List** All consultants that submitted Statements of Qualifications must be informed which consultants are to be invited for an interview. The notification is to identify only those consultants that will be requested to attend interviews, but shall be sent to all consultants that submitted Statements of Qualifications.

**Evaluate Reference Checks and Other Information Gathered Independently** An important part of the evaluation process is obtaining information about each prospective consultant’s performance on other contract work. The agency should conduct a random check of one or more of the references provided by each consultant. Reference checks on major subcontractors also are advisable if a significant portion of the work is being subcontracted.

**Interview Top-Ranked Consultants** Interview all firms on the short list. Interviews are to be structured and conducted in a formal manner. Each consultant shall be allowed the opportunity to make a presentation, if it desires; however, a time limit should be specified.

Questions to be asked during the interview should be prepared in advance. Two sets of questions may be asked:

- Those questions that will be asked of all competing consultants.
- Questions relating to each specific consultant based upon the reference checks and the strengths and weaknesses identified during evaluation of the Statement of Qualifications.

The agency may request candidates to bring additional information or examples of their work to the interviews, if that is necessary or desirable in order to facilitate the interview or evaluation process. Additional information should be kept to the minimum that is required to select the most qualified consultant.

The consultant’s Project Manager and major subcontractors must attend the interviews.

**Develop Final Ranking of Consultants** Immediately after the interviews, the selection committee should discuss and document the strengths and weaknesses of each consultant and develop a final ranking of the most qualified consultants. The selection committee should take notes for debriefing the consultants at a later date.



#### **4 SELECTING CONSULTANTS: “ONE-STEP, RFQ” METHOD (Request for Qualifications, followed by Interviews and Negotiation)**

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**Notify Consultants of Results** All consultants that were interviewed must be informed of the final ranking of consultants. It is important that all competing consultants receive the same information.

**Conduct Scoping Meeting** The Contract Administrator should meet with the selected consultant’s Project Manager and/or other consultant/subconsultant personnel to review the project to ensure that the consultant has a complete understanding of the work that is required. The consultant should be given as much material as is available regarding the project, and any technical questions regarding the project should be answered completely. This should be done before requesting the initial cost proposal.

**Request Cost Proposal** The top-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. If the contract involves more than one project, or milestone, a separate cost proposal for each project or milestone shall be requested in addition to a summary cost proposal for the total contract. If portions of the contract are to be subcontracted, a separate cost proposal for each subcontractor shall be requested in addition to a summary cost proposal for the total contract.

**Negotiate Contract with Top-Ranked Consultant** The local agency, after receipt of a cost proposal from the top-ranked consultant, negotiates a contract with that consultant. The goal of negotiations is to agree on a final contract that will deliver the services or products at a fair and reasonable cost to the local agency. The independent cost estimate developed previously by the local agency is an important basis for negotiation. Negotiations shall not be completed until a pre-award audit report, if required or requested, is received and any issues resolved.

Items negotiated typically include:

- Workplan
- Schedule
- Hours
- Quantities
- Products to be delivered
- Classification and experience level of personnel to be assigned
- Cost items, payments, and fee

For a federal-aid contract, a consultant will be awarded the contract only

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**4 SELECTING CONSULTANTS:  
“ONE-STEP, RFQ” METHOD  
(Request for Qualifications, followed by Interviews  
and Negotiation)**

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if it has either met the DBE contract goal or demonstrated a “good-faith effort” to do so.

Negotiations are to be terminated if the local agency fails to conclude an agreement with the top-ranked consultant; new negotiations are then started with the consultant ranked next-highest. The process is repeated until a contract is successfully negotiated.

**5 SELECTING CONSULTANTS:  
“TWO-STEP, RFQ/RFP” METHOD  
(Request for Qualifications, followed by Request for  
Proposal and Negotiation)**

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Selecting consultants using the “Two-Step, RFQ/RFP” method requires combining certain steps from each of the other two methods described previously. The combination of these steps are indicated on the flow chart on page 17.

Initial steps in this method are the same as the initial steps followed when using the “One-Step, RFQ” method to develop a short list of the most highly qualified consultants. Later steps are the same as the steps followed in the “One-Step, RFP” method using the firms from the short list of the most highly qualified consultants.

Because it is a combination of the “One-Step, RFQ” and the “One-Step, RFP” methods, this method of consultant selection requires more work and time than the other two methods. Consequently, it is recommended for use only when the scope of work is very complex or unusual.

**5 SELECTING CONSULTANTS:  
“TWO-STEP, RFQ/RFP” METHOD  
(Request for Qualifications, followed by Request for  
Proposal and Negotiation)**

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## 6 COMPLETING THE PROJECT

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- Submit Final Cost Proposal** After negotiations are completed, the consultant submits a final cost proposal based on final negotiations and contract requirements. This final cost proposal is attached to and made a part of the consultant agreement.
- Develop the Final Contract** The Contract Administrator is responsible for processing the final negotiated contract by ensuring that the contract is complete and determining that all required back-up documents have been provided. The appropriate numbers of copies of the contract are sent to the consultant for signature.
- The final contract should identify the local agency's Contract Administrator who will be responsible for project management activities (especially product delivery) and the consultant's Project Manager or contact person.
- Execute Contract and Issue Notice to Proceed to Consultant** The Contract Administrator sends an original signature copy of the fully executed contract and issues a notice to proceed after an authorization to proceed has been issued by Caltrans if federal or state reimbursement will be requested. Federal and/or state funds may not be used to reimburse consultants for costs incurred before the authorization to proceed is issued.
- Administer the Contract** Project work begins immediately after the notice to proceed is issued to the consultant. Thereafter, the local agency manages and administers the contract to ensure that a complete and acceptable product is received on time, within standards, and within budget.
- Contract administration activities ensure that contractual obligations are completed satisfactorily. Generally, these activities include:
- Monitoring project progress and compliance with contract requirements
  - Reviewing invoices and approving payments after making a determination that amounts billed are reasonable in relationship to the work performed
  - Record keeping and reporting
  - Cost control
  - Identifying changes to the scope of work and preparing amendments
  - Monitoring consultant DBE utilization, if federal-aid contract
  - Monitoring contract expiration date and issuing amendments for time extensions
- Contract Amendments** A contract amendment is required for any change in the terms of the contract. Amendments are not required for changes in personnel or subconsultants mentioned in the cost proposal; however, to be considered eligible for reimbursement prior approval by Caltrans for such changes must be in writing.

## 6 COMPLETING THE PROJECT

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All amendments, including amendments to extend the expiration date must be fully executed by the local agency and consultant before the contract expires.

An amendment, or change to the contract must be within the original scope of the consultant selection contract. Changes that are outside the scope of the contract are considered sole source agreements and must have sole source justification. In addition, services of DBE subcontractors should be considered if the original amount of the contract is increased.

- Close Out Project** Projects should be closed out promptly after contract services are completed. Local agencies are encouraged to complete these steps quickly.
- Performance Evaluation** The consultant's performance should be evaluated by the Contract Administrator after the consultant's final report has been submitted and the Contract Administrator has conducted a detailed evaluation of the project with the consultant's Project Manager.
- Final Payments** The local agency completes final payment of consultant invoices, submits a final invoice to Caltrans to complete federal and/or state reimbursement, and closes out the contract.
- Project Records** Project records and documentation must be kept for three years after payment of the final voucher.

Minor Revision: 01-14-02

## 7 FOR CONSULTANTS: PREPARING AN APPROPRIATE PROPOSAL

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**Introduction** It is in the interest of both public agencies and private consultants that proposers submit documents which are well-structured and can be evaluated easily. The following suggestions offer guidance regarding preparation of proposals having those characteristics.

**Elements of a Good Proposal** A good proposal is directed specifically at the particular project for which consultant services are being solicited. Therefore, the entire content of the proposal should support the consultant's perspective on the project and the consultant's ability to produce and deliver the services and products sought by a local agency. Materials which are general in nature, and which do not address the specific program and concerns of the local agency, are not helpful to the local agency nor to the consultant's prospects for being awarded a contract.

A good proposal emphasizes the following four elements:

1. Approach and methodology
2. Work plan
3. Schedule of product deliveries
4. Experience and qualifications

**Approach and Methodology** A consultant should first indicate that it understands the specific project and what the local agency is seeking in services and product. The consultant's approach may suggest ideas for useful techniques and methodologies that, from the consultant's experience, could be very helpful to the local agency's perspective on the project. While some projects may be very straightforward, others often include aspects about which the local agency may be unsure and may welcome specific advice. The consultant should define specific techniques and experiences clearly in its proposal, and should relate them directly to the particular project being considered.

**Work Plan** The consultant should outline a work plan that identifies the major tasks needed to accomplish project objectives efficiently and expeditiously. The work plan should distinguish between technical tasks, such as design and production steps, and such administrative tasks as coordination meetings and product review periods, and it should indicate the completion date for each task. It should be integrated with the schedule of product deliveries to help the local agency understand the commitments it must make in resources and personnel to achieve project objectives.

## 7 FOR CONSULTANTS: PREPARING AN APPROPRIATE PROPOSAL

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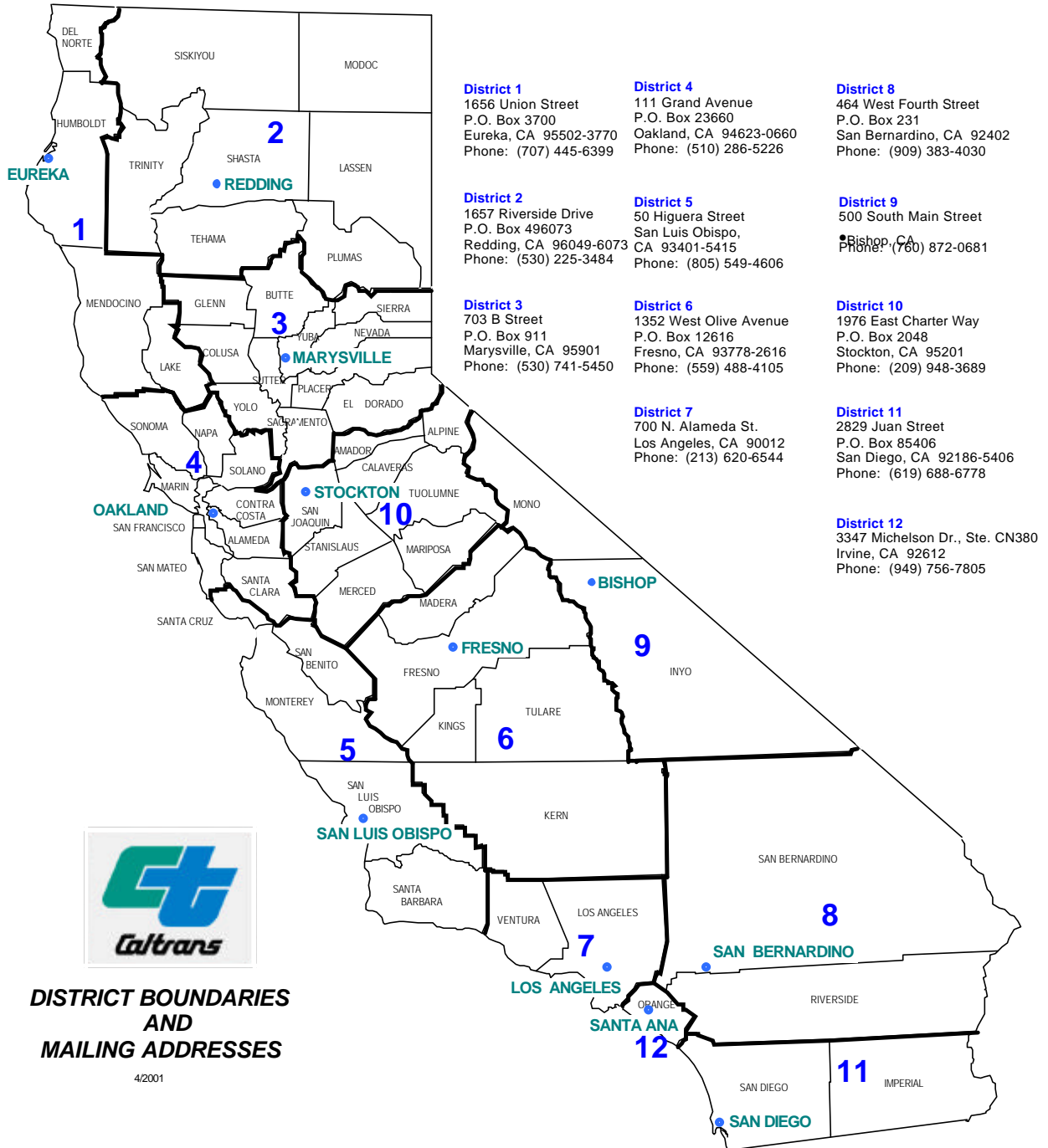
- Schedule of Product Deliveries** Local agency officials usually have specific deadlines by which a project must be completed. Such deadlines may be determined by financial considerations, by linkages with other public or private projects, by the availability of local agency personnel, etc. The consultant should recognize the validity of those deadlines and develop a schedule of product deliveries that will achieve the local agency's objectives. It often is helpful to the local agency for the consultant to point out features of the schedule which may be problematic, which may require the local agency to provide special input or resources, or which otherwise require special attention.
- Experience and Qualifications** Each consultant should present its experience with projects of a similar type or situation and size and the qualifications of the personnel that they would assign to the project. Each consultant also should identify the Project Manager. Consultant experience and qualifications should be directed specifically to the local agency's project. Local agency officials need to be assured that the consultant does, in fact, have the judgment and capabilities needed to successfully complete the project.
- Proposal Format** Consultants generally should submit their proposals in a format that is consistent with the sequence of informational items requested by a local agency. A proposal submitted in a format consistent with the RFP or RFQ is easy for local agency officials to review. For examples, see Chapter 10 of the *Local Assistance Procedures Manual*.
- Proposal Style** Consultants should take care to present their proposals in a style that is distinctive, attractive, and easy to review. Text should be presented simply and clearly. Complex ideas and concepts can be communicated easily by using correct grammar and punctuation, simple sentence structure, minimal jargon, short sentences, and brief paragraphs. Graphic formats and images can be combined with generous amounts of white space to highlight text elements, improve readability, and ensure that key information can be found readily.



# ATTACHMENT A DISTRICT MAP - DISTRICT LOCAL ASSISTANCE ENGINEERS

STATE OF CALIFORNIA  
Business, Transportation and Housing Agency  
Department of Transportation

## District Local Assistance Engineers



**DISTRICT BOUNDARIES  
AND  
MAILING ADDRESSES**

4/2001

**EXHIBIT A DISTRICT MAP:  
DISTRICT LOCAL ASSISTANCE ENGINEERS**

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We believe that QUALITY is a continuous process.  
If you notice any errors or omissions,  
please contact:  
Caltrans Local Assistance Program  
Office of Procedures Development  
(916) 653-7409

