

MEMORANDUM

DEPARTMENT OF TRANSPORTATION

Contracts & Market Analysis Branch
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DATE: July 1, 2013

TO: Timothy J. Harris, Chief Engineer
Scott McDaniel, Director of Staff Branches

FROM: John A. Eddy, Contracts and Market Analysis Branch Manager

SUBJECT: Policy Memo 24 (Revision July 2013) - NPS Contract Usage Guidelines

General

While preferable to use Project Specific contracts for consultant services, the use of Non-Project Specific (NPS) contracts is a valuable tool that provides the Regions with a great deal of flexibility in getting projects designed and built.

In order to promote consistent use of NPS contracts statewide, these guidelines have been developed for when and how NPS contracts are to be used. These guidelines will assure the State Controller that we are using NPS contracts in conformance with State Fiscal Rules, as well as provide our employees with guidance on the use of NPS contracts with the Consultant industry.

Use of an NPS contract provides the Regions with the flexibility to get work done more quickly when a short notice need arises during a project. Use of an NPS contract also avoids tying up resources that would otherwise have to participate in an extensive solicitation/selection process for small amounts of work.

The assessments of project workloads and staffing resources should be conducted with sufficient lead time to ensure the appropriate contracting process is utilized, as well as, consultant resource availability coincides with the project schedule.

NPS Contract Eligible Work

NPS contracts should generally be used for the following types of work:

- 1) Work that is emergent, unanticipated and/or time-critical, including where planned resources are no longer available to a specific project.
- 2) Work that is small enough where it is not cost effective to independently advertise for consultant resources.
- 3) Specialty work which requires a specialty service provider and is, typically, not of sufficient size to warrant a project specific contract (ie. survey, utility location, etc.).

Note: Construction project services (project management, materials testing, inspection) typically fall within this guideline.

Task Order Guidelines

Task Orders written against NPS contracts should comply with the following:

- 1) Task Orders may be written up to \$500,000.00 for the categories of work described in the section titled, NPS Contract Eligible Work, above.
- 2) For work in excess of \$500,000.00, a project specific contract is strongly recommended. This is not a hard limit but, rather, a threshold where an independent solicitation/selection should be considered.
- 3) Task Orders projected to exceed \$500,000.00 must be discussed with and approved in writing between the RTD and Chief Engineer.

Note: This Policy Memo is not intended to be used in a manner where amendments are written which cause the collective Task Order value to exceed the \$500,000 threshold. As such, amendments which add funds to the original Task Order and exceed \$500,000 are not allowed without prior approval by the Chief Engineer. Desirably, additional scope of work and funding should be addressed with a separate Task Order.

Contract Structure Requirements

NPS contracts are written with a fixed term, typically 2-5 years. When utilized per the contract terms, an executed Option Letter will extend the contract by a period not to exceed one year (Option Year). All work executed by Task Order must be completed or cease no later than the end date of the original fixed term of the contract or at the conclusion of the Option Year, if exercised.

An Option Year, where applicable, must be executed by Option Letter before the end of the original fixed term of the contract. Additionally, if exercised, the following applies:

New and Amended Task Orders MAY be written during the Option Year of a contract. However, ALL work must be completed by the end of the contract term. No contract amendments will be allowed for the purposes of extending the time to allow for the completion of any Task Order. Amended Task Orders which are allowable include those adding time, funds and/or consultant staff and vendors.

The solicitation and selection for General Engineering, Construction Management and Materials Testing NPS contracts will be combined for the Front Range Regions (1, 2 and 4) and on a Region basis for Regions 3 and 5. Solicitation and selection of NPS contracts for Environmental, Survey and Traffic Engineering will be on an individual Region basis. Exceptions to this structure may be allowed with prior Chief Engineer approval granted to the requesting Region(s).

Solicitation, Selection and Contract Administration

For the Front Range NPS contracts, the following procedures will be used:

- 1) A Region Program Engineer will be appointed to serve as the Project Manager for the solicitation/selection process for each of the disciplines.
- 2) The Project Manager assigned to each solicitation/selection is responsible for the development of the contract's Scope of Work. The Project Manager may assemble a team of Front Range Region representatives to participate in the Scope of Work development. Where a disagreement might arise amongst team members, the RTDs will determine the final Scope of Work.
- 3) The Project Manager will work with the Region Civil Rights Manager to determine the contract DBE goal prior to solicitation, upon which should be communicated to the Engineering Contracts Unit for inclusion with the RFP advertisement.
- 4) The Engineering Contracts Unit will be responsible for the scheduling of events, including advertisement of the Request for Proposal. The Project Manager is responsible for providing the cost center for all advertising costs to be charged.
- 5) A minimum four-member selection panel will be assembled by the Project Manager for each solicitation and will be comprised of representatives from each of the four Regions, one of whom may be the Project Manager. Desirably, all panel members should be a PE III. No more than one PE II may serve on a selection panel.
- 6) Consultants competing for selection on the Front Range NPS contracts will need to be available to work in any location within the four Regions.
- 7) Eight firms will be selected to each of the disciplines, with the option to add up to two more (assigned to HQ) within six months, if needed. Two contracts will be assigned to each of the four Regions.
- 8) The Project Manager is responsible for coordinating the assignment of consultant contracts with Region representatives. If the Regions are unable to agree on contract assignment, the final decision will be made by the RTDs.
- 9) Following consultant selection, assignment and award, the role of the Program Engineer as Project Manager is complete. A new Program Engineer within the assigned Region shall now serve as the Contract Administrator. If the option to add firms is exercised, the additional contracts will be assigned a Staff Branch Manager to serve as the Contract Administrator.
- 10) If a Region uses up their NPS contracts for a discipline, or has a justifiable reason to use another Region's NPS contract, they should contact the other Region Contract Administrators to make arrangements to share contracts.
- 11) The Department has a goal to utilize 75% of the contract capacity for all the NPS contracts. If a Region does not obtain at least 50% utilization, the Region is required to send a letter to the Engineering Contracts Unit providing justification for under-utilization.

For the Region 3 and 5 NPS contracts, the procedures above apply, except as noted below:

- 1) Any reference to Front Range Region representation will be interpreted as specific to the Region conducting the solicitation.
- 2) Up to two firms may be selected for each discipline

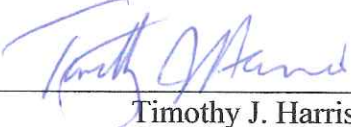
Reporting

Semi-annually, each Contract Administrator will provide a report to the Engineering Contracts Unit on their respective NPS contract usage. A report format may be provided by the Engineering Contracts Unit. At minimum, the report should list the following:

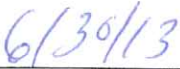
- Type of service
- The contract amount
- The responsible Region and Contract Administrator
- Total dollar amount of Task Orders written against the contract in nearest semi-annual period.
- Total dollar amount of Task Orders written against the contract to date and corresponding percentage of contract.
- Number of Task Orders in excess of \$500,000.00

A compiled statewide report will be prepared semi-annually for the Chief Engineer by the Engineering Contracts Unit Manager. This report will summarize the above-data provided by the Region Contract Administrators.

I concur:



Timothy J. Harris, PE
Chief Engineer



Date