

Contract Administration Process & Procedures

*Understanding “Why”, “What?”, and “How?” Contracts are Administered
and How DBE Goals, Requirements and Documentation is Applied*



ADOT Engineering Consultants Section (ECS)

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Introduction

So, why are we here?

1. Improve communication and understanding of the ADOT contract administration process.
2. Strengthen our partnership between ADOT and the Consultant Community.
3. Improve the understanding of how DBE goals, requirements and documentation applies to the process.

Consistent with our culture at ADOT, we strive to be deliberate in our:

1. Communication with our Stakeholders.
 - We communicate in person.
 - We speak with our groups.
 - We reach out to our stakeholders.
2. Collaboration with our Stakeholders.
 - We work together to achieve the successful execution of a contract.
3. Innovation.
 - We work together to improve our processes, while maintaining our core contractual and regulatory requirements.
4. Resolution.
 - We work together to respond to questions and resolve problems.

Contract Administration Process & Procedures



Introduction

Who are our partners during the contract lifecycle?



Introduction

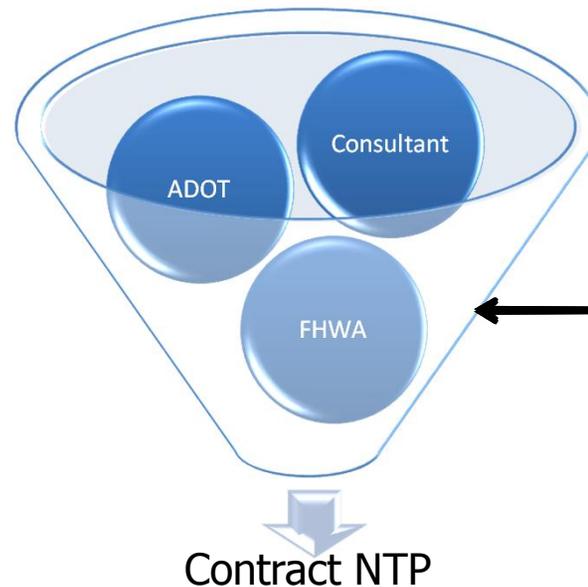
So, who are we?

ADOT Engineering Consultants Section (ECS)

- Prescribe and Administer the procedures to advertise, select, monitor and manage professional services contracts.

Contract Stakeholders – Roles & Responsibilities

- The successful negotiation and administration of a contract requires active participation by:
 1. ADOT (Project Manager & RE, ECS, BECO, Audit)
 2. Consultants & Subconsultants
 3. FHWA



What is required?

1. Deliberate Communication
2. Collaboration and Participation
3. Consistency in our Processes
4. Innovation & Resolution

What are we doing?

1. External Partnership Meetings.
2. Early Involvement in Contract Administration.
3. Internal Partnership Meetings.
4. Encumbrance Process Efficiencies.

Introduction

What have we been doing?

ADOT Engineering Consultants Section (ECS)

- Current Contract Volume: 333 active contracts
- Contract Modifications Processed: FY13 = 1,087
FY14 = 1,150
- Payment Reports Processed: FY13 = 2,236
FY14 = 2,495

ADOT Business Engagement & Compliance Office (BECO)

- DBE Affidavits FY13 = 116
FY14 = 211
- DBE Good Faith Efforts (GFE) FY13 = 42
FY14 = 68

Introduction

Key Terms, Acronyms and Information associated with the contract lifecycle:

Brooks Act – Public Law 92-582 (40 USC 1104):

- *Selection of firms and individuals to perform architectural, engineering and related services based on demonstrated competence and qualifications for the type of professional services required.*
- *The agency shall negotiate a contract with the highest qualified firm at compensation which the agency head determines is **fair and reasonable**.*

Prompt Pay Law – ARS 28-411:

- *ADOT must issue payments to Prime Consultants within 21 calendar days after receipt and acceptance of the payment report/invoice.*
- *Consultants must pay their subconsultants within seven (7) calendar days after receiving payment from ADOT.*

49 CFR Part 26

- *Regulations for participation by Disadvantaged Business Enterprises in federal DOT financial assistance programs. This also includes all required reporting and documentation.*

ECS Contract Award and Administration Procedures

- *Rules and Procedures that govern ADOT's Engineering Consultants Section's award and administration of professional services contracts.*

Introduction

What do we do?

How do we do it?

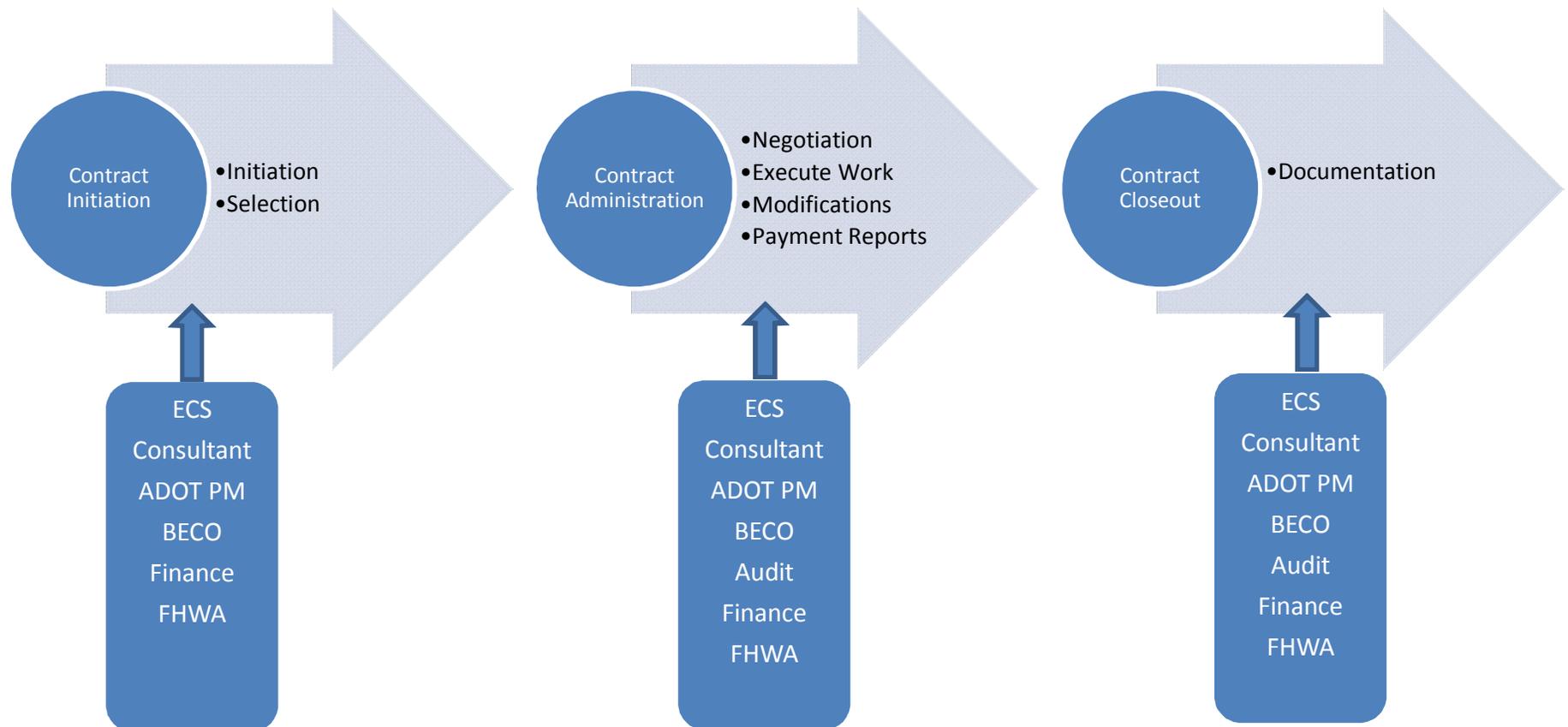
Why do we do it?



Contract Lifecycle Map

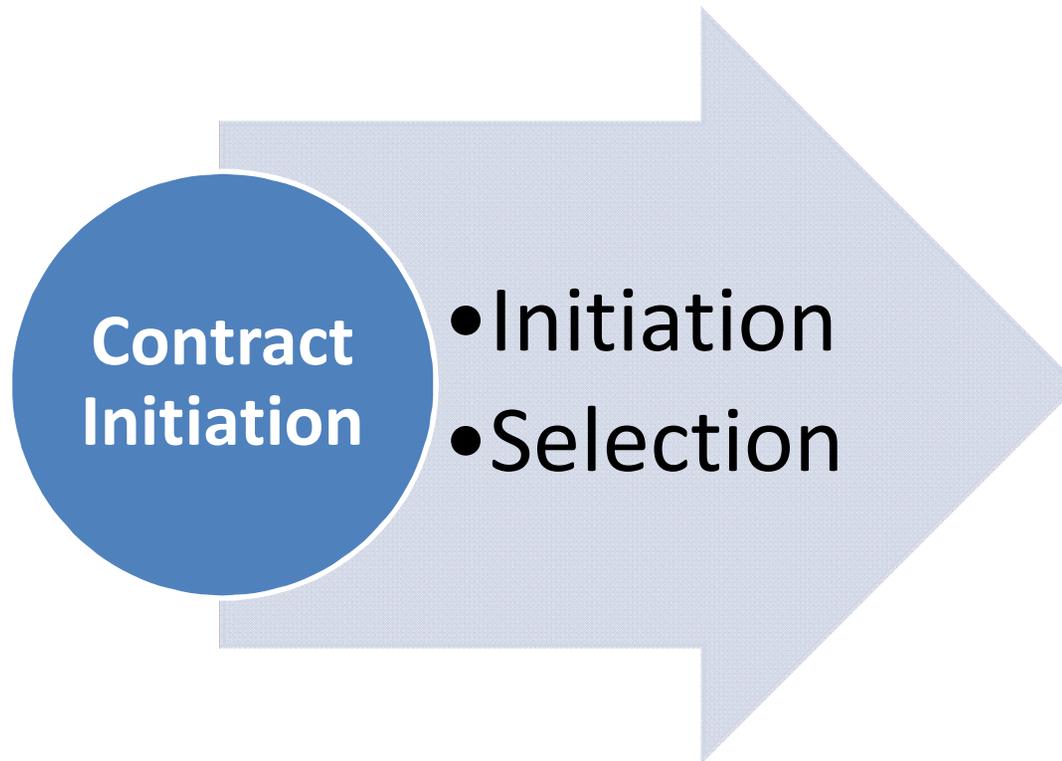
Introduction

Everyone is a Partner
in the successful administration of a contract!



Contract Initiation

The contract lifecycle begins.....



Contract Initiation

Initiation of Contract

1. Development of the Project's Scope of Work and Need
2. Development of the Contract and Project Schedules
3. Establishment of DBE Goals
 - Each Contract is assessed a DBE Goal – 49 CFR Part 26
 - Goal is established based on:
 - a. The anticipated scope of work to be performed under the contract.
 - b. The availability of resources that can perform a commercially useful function.
4. Authorization of Funds for the Project
 - Five-Year Transportation Facilities Construction Program
 - FHWA Authorization of Funds

Advertisement & Submittals

1. Approval to Advertise
2. Communication
3. Submittals
 - Electronic Submittals through eCMS.
 - Requirements and Initial Review.



Contract Initiation

Consultant Selection Process

1. Selection Panel Convenes
 - Review of Project Scope
 - Review of Evaluation Instructions and Criteria
 - Confidentiality
2. Selection Panel Evaluates and Scores SOQ's based on established criteria.
 - Project Understanding and Approach
 - Project Team
 - Firm Capabilities
3. Selection Panel Meets and the "Best Qualified Firm" is agreed upon by consensus.
4. Selected Firm is Notified
5. Debrief Period is Opened.
 - The Debrief includes:
 1. Copy of the selection panel's evaluation comments and scores of their firm's SOQ.
 2. Score of the Selected Firm's SOQ.
 3. Copy of the SOQ submitted by the Selected Firm is provided for review.



*** Copies or reproduction of the Selected Firm's SOQ and comments/scores (or any other firm's) are not permitted.*

Contract Initiation

Preliminary Plan & Schedule

- **Contract Initiation**

- | | |
|---|------------|
| 1. Development of the Project's Scope of Work and Need: | 2-4 Weeks |
| 2. Development of the Advertisement and Contract Documentation: | 3 Weeks |
| 3. Establishment of DBE Goals: | 1-2 Weeks |
| 4. Authorization of Funds for the Project: | 2-3 Months |

- **Consultant Selection Process**

- | | |
|----------------------------------|-----------|
| 1. Contract Advertisement: | 3-6 Weeks |
| 2. SOQ Evaluation & Scoring: | 4-6 Weeks |
| 3. Selection Meeting & Ranking : | 1-2 Weeks |
| 4. Notification: | 1 Week |

Contract Initiation

What are some “Barriers” to a Smooth and Timely Selection Process?

1. Funding.
2. Scheduling conflicts with panel members.
3. High volume of SOQ’s to review...requires more time.
4. Panel Member conflict of interest issues.
 - Potential Removal or Re-assignment.
5. Filed Protests or Appeals.
 - Appeal of SOQ Acceptance
 - Protest of Selection
6. Poor Communication of:
 - Schedules
 - Submittal Requirements
 - Questions and Responses

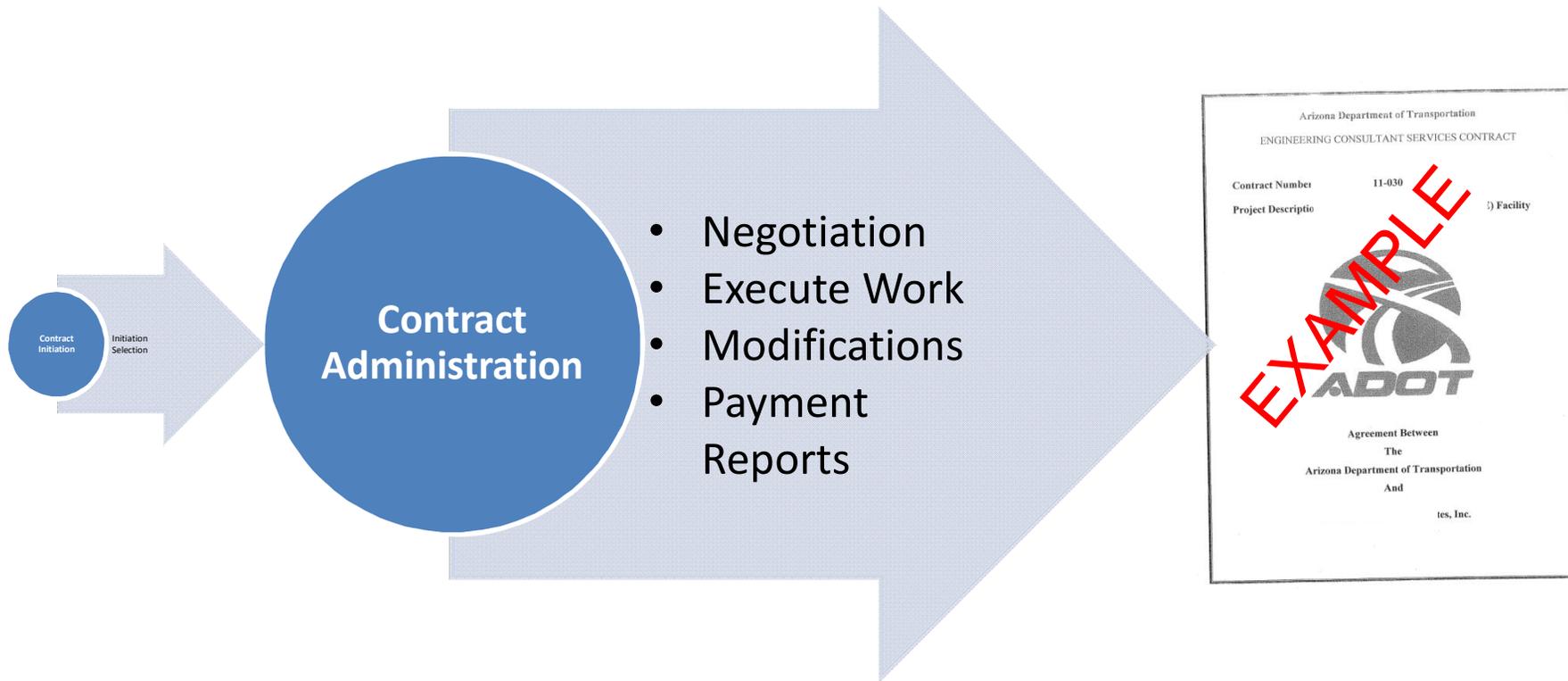


Contract Administration Process & Procedures



Contract Administration

Managing your Contract



Congratulations on your selection! So now what??

1. Pre-Negotiation Phase
2. Cost Proposal Negotiations
3. Notice to Proceed
4. Execution of Work

Successful negotiation of a contract involves the active participation of the following stakeholders:

- ADOT Project Manager & Consultant
- ADOT Audit & Analysis
- ADOT Business Engagement & Compliance Office (BECO)
- ADOT Engineering Consultants Section (ECS)

Preparation & Submittal of Cost Proposal

1. Pre-Negotiation Meetings
2. Submittal of required Financial Reports to ADOT Audit & Analysis
3. Development of the Project's Scope of Work & Cost Proposal
4. Submittal of Required Documentation through eCMS.
 - ECS's Review includes:
 - a. Completeness and accuracy of documentation.
 - b. Standardization of Contractual Terms & Conditions
 - c. Appropriateness of Proposed Labor Classifications (IB 13-02)
 - d. Completeness of Entry in System
 - e. Initial Review and determination of Cost Allowability, Reasonableness, Overhead Rates, Insurance Requirements, DBE documentation

Contract Administration

Cost Proposal Negotiations

The Negotiation of a Contract is based on:

1. Scope of Work
2. Qualifications of Professional Services
3. Reasonableness and Allowability of Costs (All Costs Are Reviewed)
 - *All costs require supporting documentation.*

Responsibilities:

- Project Manager: Review and Negotiation of Scope and Hours. Assist in Coordinating responses, submittals, etc. through the contract lifecycle.
- Audit & Analysis: Review rates and costs to determine fairness, reasonableness and allowability.
- Consultant: Complete and timely submittals of required contract documentation.
- ECS: Complete and timely reviews and negotiations of contract documentation.

ADOT endeavors to negotiate scope, rates and costs that are fair and reasonable in accordance with **40 USC 1104**. (*consistent with the Brooks Act*)

Contract Administration

Cost Proposal Review by:

ADOT Business Engagement & Compliance Office

Consultants are required to:

- Adhere to **Sections 4.46-4.49** of the contract documentation regarding DBE and SBC commitments.
- Execute subcontracts with all Subcontractors which include all required clauses in Section 4.0 of the contract. *(including reporting and payment clauses).*
- Provide written documentation of the bidder's/offeror's commitment to use a DBE Subcontractor to meet contract goal and also written confirmation from DBE that it is participating (DBE Affidavit) in contract or make Good Faith Effort (GFE) – **49 CFR 26.53**.
- Enter all subconsultant, lower-tier sub and vendor information in the DBE System and upload their subcontract agreements.
- Record and document payments of subconsultants on appropriate Payment Reports and within ADOT's DBE System (B2GNow).

Contract Administration

Cost Proposal Review by:

ADOT Engineering Consultants Section

ECS Will Review:

1. Review for Completeness and accuracy of documentation and entry into eCMS.
2. Standardization of Contractual Terms & Conditions
3. Appropriateness of Proposed Labor Classifications (**IB 13-02**)
4. Review and determination of:
 - Allowability of Costs
 - Reasonableness of Costs
 - Status of Firm(s) audited overhead rates.
 - Coordination and applying Audit & Analysis recommendations.
 - Need for Risk Management Review of Firm's Insurance
 - Completion of required DBE documentation.
5. Encumbrance of Funds associated with contract.
6. Execution of Contract.

Contract Administration

Notice to Proceed

- The consultant is issued a “Notice to Proceed” (NTP) once the terms of the contract are agreed upon (negotiations are complete) and upon receipt of FHWA Funding Authorization. *** No verbal or email authorizations are allowed.*
- An Advanced Notice To Proceed (ANTP) or Advanced Authorizations (AA) may be issued if it is determined and agreed upon that a consultants work must start while the contract negotiations are being finalized.
 1. Emergency Situations
 2. Time Constraints*** No verbal or email authorizations are allowed.*

Contract Administration

Execution of Work

- The consultant, in close coordination with other project stakeholders, performs the professional services outlined in the contract.
- Payment Reports are issued, processed and paid as defined in the Agreement and per Prompt Payment Law.
- Contract Modifications are processed as required (this includes any necessary Time Extensions).
- Required reporting and documentation of DBE Participation.
- Annual Performance Reviews are performed to address the consultant's performance on an annual basis (through eCMS). Consultants, PMs, Audit and ECS participate in this process.

Contract Administration

Plan & Schedule

- **Preparation and Submittal of Cost Proposal**

1. Preparation and Submittal of Cost Proposal 3-4 Weeks
2. Submittal of all required financial documentation: 2 Weeks

- **Cost Proposal Review and Negotiation**

1. Initial Scope and Cost Negotiation: 4-5 Weeks
 - *Subsequent Reviews/Negotiation (2-3Weeks per submittal)*
2. BECO Review: 10 Days
3. Audit Review: 45 Days
 - *Varies depending on completeness of submittals and follow-up documentation*

- **Notice to Proceed**

1. Finalize Documentation of Signatures: 1 Week
2. Encumbrance of Funds: 1 Week
3. Notice to Proceed: 1 Day

Contract Administration

Task Order and/or Modification Initiation

Modifications to existing contracts, or issuance of Task Orders on On-Call Contracts are based on the terms of the original contract.

1. Project Needs Identified and Priorities Established
2. Development of the Project's Scope of Work and Need
3. Development of the Contract and Project Schedules
4. Submittal of Required Documentation
5. Negotiation and Execution of Task Order or Modification.

****Contracts, Task Orders, Advanced Authorizations/ANTP's, or Modifications cannot be executed without FHWA Funding Authorization**

Contract Administration

Task Order and/or Modification Initiation

Key Issues to remember:

1. DBE Goals: DBE Goals are calculated and apply **to a contract**.
 - For On-Call Contracts, **the contract DBE Goal is applied to each task** assigned to a consultant.
 - For "Non" On-Call Contracts, any modification to the contract must reflect any change the additional work (or reduction) will have on meeting the contract DBE Goal.
 - The Prime Consultant's ability to meet the DBE goal is based on actual payments to their DBE partners. *Accurate Reporting is very important!*
2. For On-Call Contracts: Task Orders are generally assigned as follows:
 - First Round: Based on the ranking of the Prime Consultant
 - Subsequent Rounds: Distribution based on equalizing the cumulative dollar value awarded to every contracted Prime Consultant.

*** ECS is required to regularly report to the FHWA on the distribution of tasks and cost growth of the tasks/contracts.*

Contract Administration

Payment Reports

- Pursuant to **Section 4.04** of the contract, consultants are required to:
 1. Submit Payment Reports on a monthly basis reporting its monthly costs. *Payment Reports are not required for on-call contracts without any assigned task orders added by executed modification.*
 - If no work has been performed in any month, the Consultant shall still submit a zero (\$0.00) PR indicating that no work has been performed for that month.
 2. Submit Payment Reports which includes a breakdown of costs incurred by each subconsultant who completed work for the time period requested.
 3. Submit Payment Reports which includes appropriate back-up for expenses (receipts, etc.).
 4. Primes, Subconsultants (DBE and non-DBE) are required to report payments monthly in the ADOT DBE System (**Section 4.47** of the contract).

Contract Administration Process & Procedures



Contract Administration



Payment Reports

- Pursuant to **Section 4.03** of the contract, consultants are required to:
 1. Submit monthly progress reports with all Payment Reports to the ADOT PM. The report format shall be approved by the ADOT PM and ECS, but must provide information relating to and supporting work performed and expenses incurred (for which are being invoiced for).
 2. For Non-Lump Sum Fee Contracts (CPFF, Specific Rates, Supplemental Services), submit required work-hour report and back-up documentation for expenses incurred and being invoiced for).

Common Issues which may delay processing of Payment Reports

1. Consultant is not billing on a monthly basis.
2. Payment Report is not signed by the Consultant or ADOT PM.
3. Payment Report Number is incorrect or submitted out of sequence.
4. PO Number or Line No. is not included.
5. Incorrect Format is used.
6. Previous edits or incorrect amounts not carried over properly (math errors).
7. Appropriate Payment Report Backup not included or doesn't match invoice totals.
8. Funds were not encumbered and are no longer available.

Contract Administration

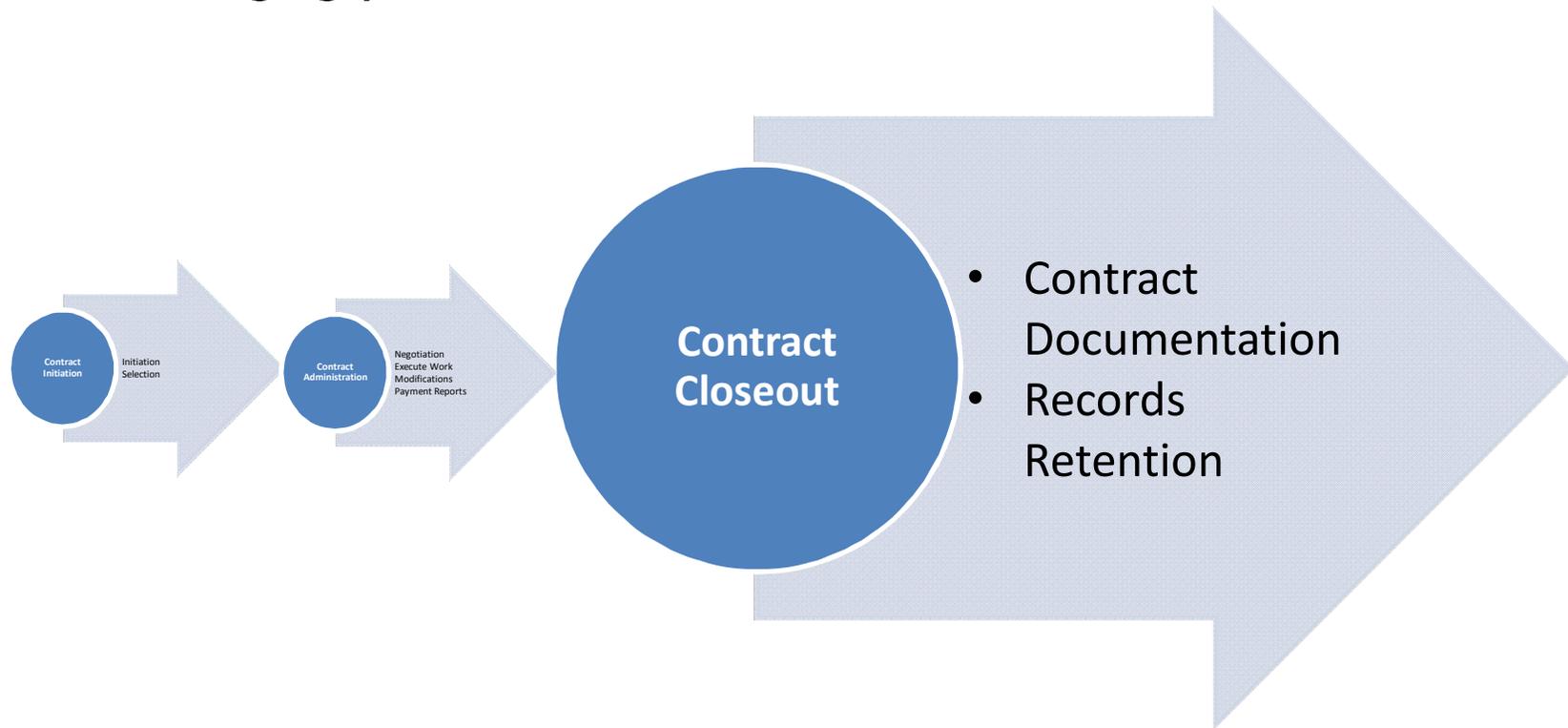
What are some "Barriers" to a Smooth and Timely Execution of Contract Documentation?

1. Incomplete or delayed submittals by Consultant, Subconsultant or Vendors.
2. Incomplete or delayed review by ADOT.
3. Errors in contract documentation.
4. Funding is not authorized or available.
5. Delays in encumbering funds for the contract.
6. Renegotiation of Rates (from the originally approved contracted values).
7. Introduction of new subconsultants (or vendors)
8. Reclassification of consultant's positions.
9. Review and/or negotiation of allowable or unallowable expenses.
10. Delayed communications between ADOT and Consultant and between Consultant and ADOT.
11. Additional scope and costs may affect the original DBE commitments, requiring review and documentation to be resubmitted.
12. Incomplete or unapproved DBE documentation.



Contract Closeout

Managing your Contract



Contract Closeout

Contract Closeout

All contracts have a Contract Period, which defines the termination date of the contract. Contract periods can be extended or canceled in accordance with the terms and conditions of the contracts.

***Work can not be performed and invoiced if contract time expires.*

- Contract Closeout is initiated by the ADOT PM after services are completed per the contract.
- Final Payment Report – Prime Consultant and Subconsultants
- Incurred Cost Audit (Audit & Analysis) – For CPFF Contracts
- Certification of Payments to DBE Firms Affidavit ([Section 4.47](#) of contract)
- Final Performance Evaluation is performed to address the consultant's performance throughout the duration of the contract lifecycle (through eCMS). Consultants, PMs and Audit and ECS participate in this process.
- Pursuant to [Section 4.41](#) of the contract, consultant and subconsultants shall keep and maintain all books, papers, records, accounting records, files, accounts, expenditure records, reports, cost proposal with backup data and all other such materials related to the Contract and other related project(s).

Contract Administration Process & Procedures



Key Definitions and Title 49 CFR Part 26 DBE Requirements

Key Definitions and Abbreviations

CUF – Commercially Useful Function

RC – Race Conscious

RN – Race Neutral

TO – Task Order

CM – Contract Modification

CP – Cost Proposal

ICL – Initial Cost Proposal

Applicable CFR Codes

- 26.13 – Contractor/Recipient Assurances
- 26.29 – Prompt Pay Mechanisms
- 26.31 – DBE Directory
- 26.37 – Recipient Responsibilities for Monitoring Other Participants
- 26.51 – Means to Meet Goals
- 26.53 – Good Faith Efforts (GFEs) & Contract Goals
- 26.55 – Counting DBE Participation

Contract Administration Process & Procedures



DBE Program's Impact on ECS Processes

- Setting goals
 - DBE goal is required for RC Contract solicitation
 - All contracts with at least \$1.00 of federal funds (excluding supplemental)
 - DBE Goal Worksheet completed by Compliance Specialist and PM and submitted to BECO
 - BECO reviews and establishes the goal within 10 business days
- Certifying goal commitments via DBE documentation
 - DBE Affidavits *or*
 - Good Faith Efforts
 - Failure to submit will render Consultant ineligible for award
- DBE Participation Monitoring and Enforcement via Reports
 - Contract Modification – Additional Funds
 - Contract Modification – Add/Replace/Remove
 - Certify Final Payment to DBEs via DBE System
- Dispute Resolution Process

DBE Forms Submission

- DBE Forms
 - Submission with SOQ – advertisement stage
 - Submission with RC Cost Proposal – negotiation stage
 - Submission with RN Cost Proposal – negotiation stage
 - Submission with Contract Modification – Post Notice To Proceed (NTP)
 - Submission at contract closeout

Contract Administration Process & Procedures



SOQ for Standard Design Project	SOQ for On-Call Project
Stand alone project	Issued via task orders
Known schedule, scope, budget and complexity	Scope, schedule, budget and complexity determined with each TO
DBE goal stated in RFQ and any future contract modification must reflect the change and impact on the goal	DBE goal stated in RFQ and applied to each task order
DBE participation identified prior to contract execution or NTP	DBE participation identified prior to task order execution
Consultants either document intent to meet DBE goal in SOQ or submit GFE forms	Consultants to identify DBE sub-consultants in SOQ submission
Prime and sub DBE affidavits or GFES provided with CP package	DBE documentation submitted with each TO CP & each TO requires prime or sub DBE affidavit or GFE forms

SOQ Submittal Forms and Requirements

- Pursuant to 49 CFR 26.11(c), ADOT needs to maintain a bidders list via [Proposer's Solicitation List](#)
 - Intent-to capture accurate data about DBE universe (DBE, non-DBE, SBC)
 - Form includes
 - a) All subs which prime solicited to be part of contract
 - b) All subs who contacted Prime expressing interest in this contract
 - c) All subs who Primes ultimately proposed on this contract
 - Failure to submit the Solicitation List shall result in SOQ rejection
 - Primes are required to register while subconsultants are strongly encouraged
- Pursuant to 49 CFR 26.11(c), ADOT is also required to collect demographic information on all 'ready, willing and able' DBE and non-DBE firms via [AZ UTRACS vendor registration](#)
 - Intent-to capture demographic data on 'ready, willing, and able' firms
 - Valid for 3 years then Firms must re-register
 - Primes are required to register while subconsultants are strongly encouraged

Contract Administration Process & Procedures



SOQ Proposer's Solicitation List



Intermodal Transportation
Engineering Consultant's Section

SOQ PROPOSER'S SOLICITATION LIST

Contract No.: _____

Must be submitted with the SOQs

In accordance with [49 CFR 26.11](#), ADOT is required to create and maintain a Proposer's Solicitation List to capture accurate data regarding the universe of DBE, non-DBE, and Small Business Concerns (SBC) Consultants and Subconsultants who expressed interest or were solicited to work on this contract. Proposers **must** complete the required information below. **Failure to complete this form in its entirety and submit it with the SOQ proposal shall result in rejection of the SOQ proposal.** ADOT Business Engagement and Compliance Office ([BECCO](#)) will review this form to ensure compliance with [49 CFR 26.11](#). Firms may be contacted for clarification or additional information.

Consultant Name	Contact Person	Address	Phone Number (xxx) xxx-xxxx	Email Address	AZ UTRAVCS Vendor Registration Number [#]	Select one	
						D DBE	R Non-DBE

[#] Prime Consultant's failure to include their AZ UTRAVCS vendor registration number in this form shall result in SOQ proposal rejection.

List **each** Subconsultant that (1) your firm directly solicited to be a part of this contract, (2) contacted your firm expressing interest in this contract and (3) your firm ultimately proposes to work on this contract.

Subconsultant Name	Contact Person	Address	Phone Number (xxx) xxx-xxxx	Email Address	AZ UTRAVCS Vendor Registration Number (if available)	Identifier		
						D DBE	R Non-DBE	S SBC

Copy form and add additional sheets as needed.

All prime Consultants are **REQUIRED** to register in ADOT Arizona Unified Transportation Registration and Certification System ([AZ UTRAVCS](#)). **Failure to complete this form in its entirety and submit it with the SOQ proposal shall result in the rejection of the SOQ proposal.**

Contract Administration Process & Procedures



DBE Forms			
<u>DBE Intended Participation Affidavit - Consultant</u> (project specific and on-call with each TO)	<u>DBE Intended Participation Affidavit - Subconsultant</u> (project specific and on-call with each TO)	<u>Good Faith Effort Form</u> (project specific and on-call with each TO)	<u>On-Call Contract DBE Goal Commitment Form</u> (on-calls only)
Intent – consultant lists all subs and tier subs to be used and identify total DBE commitment - separate affidavit for each sub DBE	Intent – all subs and tier subs acknowledge and sign their % participation - separate affidavit for each sub DBE	Intent – to identify all efforts made in locating DBEs	Intent – consultant commits to meet or exceed the goal on every TO or make GFEs
Submitted when the goal is met or exceeded. Submitted with initial CP or CP for additional funding (project-specific) or with CP with each TO (including revisions) for on-calls	Submitted when the goal is met or exceeded. Submitted with initial CP or CP for additional funding (project-specific) or with CP with each TO (including revisions) for on-calls	Submitted when consultant does not meet the goal or the goal commitment is below the goal.	

Contract Administration Process & Procedures



DBE Forms Continued

<u>DBE Intended Participation Affidavit - Consultant</u> (project specific and on-call with each TO)	<u>DBE Intended Participation Affidavit - Subconsultant</u> (project specific and on-call with each TO)	<u>Good Faith Effort Form</u> (project specific and on-call with each TO)	<u>On-Call Contract DBE Goal Commitment Form</u> (on-calls only)
List new contract total amount (project specific) or new TO total amount (on-call)	List new contract total amount (project specific) or new TO total amount (on-call) <i>DBE Direct Expense vendors need to be included (credit obtained thru non-DBE firm)</i>	Submitted with CP for additional funding (project-specific) or with CP with each TO (including revisions) for on-calls. Post NTP with CP for add funds	
With RC CP, during negotiations	With RC CP, during negotiations	With RC CP, during negotiations	With RC CP, during negotiations
With RN CP, only if DBEs utilized	With RN CP, only if DBEs utilized		

For add funds CM

Contract Administration Process & Procedures



DBE Forms – Consultant DBE Participation Affidavit



ARIZONA DEPARTMENT OF TRANSPORTATION DISADVANTAGED BUSINESS ENTERPRISE (DBE) Intended Participation Affidavit – Consultant

Consultant:	Contract No:
TRACS NO(s):	Task Order No:
Contract Description:	

Directions:

1. This Affidavit must reflect the information included on the individual DBE Intended Participation Affidavit – Subconsultant for each DBE Subconsultant or DBE Tier-Subconsultant.
2. A separate Subconsultant Affidavit must be submitted for EACH proposed Subconsultant DBE firm.
3. This Affidavit must be signed by an individual authorized to sign the SOO proposal on behalf of the firm.
4. This Affidavit and all DBE Subconsultant Affidavits must be submitted with the Cost Proposal.

	Name of DBE Firm	Consultant, Sub, Tier-Sub or Vendor	Type of Services To be Provided	Total \$ Amount Awarded to DBE Firm**	\$ Amount subcontracted to another DBE firm**	\$ Amount subcontracted to Non-DBE Firm**	\$ Amount performed by the DBE Firm	% of work performed by the DBE Firm (CAF) *
1.							\$0.00	0.00%
2.							\$0.00	0.00%
3.							\$0.00	0.00%
4.							\$0.00	0.00%
5.							\$0.00	0.00%
TOTAL				\$0.00	\$0.00	\$0.00	\$0.00	
						Total \$ Amount toward DBE Goal	\$0.00	
						(1) Total Contract/Task Order Amount ***		
						(2) Total % of DBE Commitment	0.00%	
						(3) Contract DBE Goal		

Consultant Certification:

I certify that:

1. My firm has accepted a proposal from the above named DBE Subconsultant(s).
2. My firm has accepted the proposed DBE Subconsultant(s) of the attached DBE commitment and this agreement is to be performed in accordance with DBE provisions of the contract.
3. My firm's use of the proposed DBE Subconsultant(s) for the items of work listed above is a condition of the contract award.
4. My firm will invite the proposed DBE Subconsultant(s) to attend any pre-negotiation partnering conferences or other required meetings related to this contract.
5. My firm is required to make sufficient reasonable efforts to (sub) contract either the same or other work to an alternative certified DBE equal to the amount to obtain the DBE commitment if a proposed certified DBE is unable or unwilling to perform the work or any part of the intended work.
6. I understand that any work assigned to a certified DBE, who then subcontracts to a non-certified DBE will NOT count toward DBE goal.
7. * My firm will ensure that DBEs will perform commercially usefully functions (CAF), with at least 30% of work being performed by each DBE, as part of this contract and will provide documentation to ADOT, such as Subcontract Agreements with DBEs to validate such work.
8. I understand that failure to comply with the information shown on this form will be considered grounds for contract sanctions and other remedies deemed appropriate by ADOT.
9. I declare under penalty of perjury in the second degree, and any other applicable state or federal laws that the statements made in this document are true and complete to the best of my knowledge.

** Total Contract/Task Order Amount must include the original and any additional amounts applied to the Contract or Task Order.

Name of Firm			Title	
Print Name			Date	
Signature				

Contract Administration Process & Procedures



DBE Forms – Subconsultant DBE Participation Affidavit



ARIZONA DEPARTMENT OF TRANSPORTATION DISADVANTAGED BUSINESS ENTERPRISE (DBE) Intended Participation Affidavit – Subconsultant

Consultant:	
DBE Subconsultant:	
*DBE Tier-Subconsultant:	
- Subcontracted by:	DBE or Non DBE:
Contract No.:	Task Order No.:
Contract Description:	TRACS No(s):

*Tier-Subconsultants refers to any subconsultant that is contracted to another subconsultant at any level.

Directions:

1. This Affidavit must be completed by ALL DBE Subconsultant(s) and DBE Tier-Subconsultant(s) and signed by an officer or principal of the Subconsultant(s) DBE firm and submitted to the Consultant.
2. A separate Affidavit must be submitted for EACH proposed Subconsultant DBE firm.
3. List all full and partial services to be provided by the above named DBE Subconsultant(s).
4. All partial services provided must be fully explained. If not, the DBE will be considered to be responsible for the entire services to be performed. Attach additional sheets as necessary.
5. All DBE Subconsultant Affidavits must be submitted with the Cost Proposal.

	Name of DBE Firm	Consultant, Sub, Tier-Sub or Vendor	Type of Services To be Provided	Total \$ Amount Awarded to DBE firm**	\$ Amount subcontracted to another DBE firm**	\$ Amount subcontracted to NonDBE Firm**	\$ Amount performed by the DBE firm	% of work performed by the DBE firm (CUF) ***
1							\$0.00	0.00%
Total \$ Amount toward DBE Goal						\$0.00		

** Total Proposed DBE Amount must include the original and any additional amount applied to the Contract or Task Order.

Subconsultant Certification:

I certify that:

1. My firm has made an arrangement/agreement with the above named Consultant to do work listed above for the proposed contract.
2. My firm agrees to the proposed DBE commitment above and agrees to perform the services in accordance with the DBE provisions of the contract.
3. *** My firm will complete 100% of the work listed above or intends to subcontract _____ % of the work to another DBE firm and/or _____ % to another non-DBE firm.
Name of DBE or non-DBE firm: _____
Note: If percentage of work subcontracted out is greater than 70% of the DBE's work amount, the DBE is deemed not performing a commercially function (CUF) and the DBE's participation is NOT counted toward the DBE goal.
4. The use of my DBE firm for the items of work listed above is a condition of the Consultant being awarded this contract.
5. My firm will attend any pre-negotiation partnering conferences or other required meetings related to this contract.
6. If I subcontract any work to a non-certified DBE firm, I must inform the Consultant because the work will NOT count toward the DBE goal and it will LOWER my DBE participation commitment if a proposed certified DBE is unable or unwilling to perform the work or any part of the intended work.
7. I understand that failure to comply with the information shown on this form will be considered grounds for contract sanctions and other remedies deemed appropriate by ADOT.
8. I declare under penalty of perjury to the second degree, and any other applicable state or federal laws that the statements made on this document are true and complete to the best of my knowledge.

Subconsultant Name: _____ Title: _____
 Officer Signature: _____ Date: _____

Contract Administration Process & Procedures



DBE Forms – GFE



BUSINESS ENGAGEMENT & COMPLIANCE OFFICE

CONSULTANT CERTIFICATION OF GOOD FAITH EFFORTS

(Submit completed GFE pages 1 – 2 only with back-ups, if any.)

Purpose

The certification's intent is to document the good faith efforts undertaken by the Consultant in soliciting and utilizing DBE firms to meet the DBE participation requirements for the contract/project. The completed certificate will assist ADOT to determine if the Consultant performed its due diligence, took all necessary and reasonable steps to secure DBE participation for the referenced contract/project and resulted in obtaining comprehensive good faith efforts. ADOT Business Engagement & Compliance Office (BECO) will determine if the Consultant made satisfactory good faith efforts to secure sufficient DBE participation to meet the DBE goal. The burden of proof rests with the Consultant. **Failure to provide good faith efforts to BECO's satisfaction will result in the rejection of the proposal/modification.** However, BECO will reconsider Consultant's GFE resubmittal if Consultant has adequately and sufficiently documented its good faith efforts in obtaining DBE participation.

General

The information requested in this certificate is the minimum information required by BECO to evaluate your firm's good faith efforts. BECO reserves the right to request further documentation from the Consultant/Subconsultant(s) to support and validate actions undertaken to secure DBE participation and meet the DBE goal for this contract/task order.

Attestation

I, (Name) _____, do hereby acknowledge that I am the (Title) _____ of (Name of Firm) _____ and the Consultant selected for the ADOT project listed below:

Contract No.	Task Order No.	TRACS No.	Project Name	Estimated Contract Amount *	DBE Percentage	
					ADOT Goal	Proposed

* Estimated Contract Amount must include any previous amounts of the Contract or Task Order.

Provide a brief summary on why you believe your firm is unable to meet the DBE participation goals on this contract/task order. Attach additional pages if necessary.

I hereby certify I demonstrated comprehensive good faith efforts to solicit and utilize DBE firms to meet the DBE participation requirements of this contract/modification by my responses to the following:

Contract Administration Process & Procedures



DBE Forms – On-Call DBE Goal Commitment Form

Arizona Department of Transportation
Engineering Consultants Section

On-Call Contract Disadvantaged Business Enterprise (DBE)
Goal Commitment Form

Contract No.: _____

(Firm name), (CONSULTANT) certifies that:

- (1) The CONSULTANT will meet or exceed the ___% DBE goal or make good faith efforts to meet the goal for the above referenced contract

and

- (2) The CONSULTANT will meet or exceed the ___% DBE goal or make good faith efforts to meet the goal on **each** Task Order associated with the above referenced contract;

Firm Name: _____

Principal Name: _____

Principal Signature: _____

Date: _____

Contract Administration Process & Procedures



Add/Replace/Remove Subconsultant Request Form

- According to Contract Boilerplate, Section 4.47 (DBE Commitment, Compliance and Reporting), item 6 (DBE substitution)
 - The consultant shall not terminate a DBE subconsultant without prior approval of the State
 - If a subconsultant is terminated, Prime must make GFEs to locate another DBE and NOT perform the work on its own
- WHY: It impacts the ability to meet the goal commitment on the contract
- Submit the DBE add/replace/remove form for any of these sub changes to PM for approval
 - If replacing a sub with a DBE, you must provide justification and attach firm's DBE affidavit
 - Must be signed by ADOT PM, ECS Manager and Consultant

Contract Administration Process & Procedures



Add/Replace/Remove Sub Form

ENGINEERING CONSULTANT SECTION Add or Remove Sub-consultant Request Form

Contract Number Consultant Name

In order to adhere to the Qualification-Based Selection (QBS) process and federally-funded contract requirements, it is necessary that Subconsultants, including Disadvantaged Business Enterprise (DBE) Subconsultants, be utilized on contracts as listed in the original SOQ and approved in the contract. ADOT approval, as shown by all signatures listed below, is required prior to any Subconsultant changes (addition, removal or substitution) and shall be requested and justified by completing this form.

Select the requested process(es) and complete ALL items of the selected box.

Request to Add a Subconsultant Firm Name:

1) Is the Subconsultant to be added included in the original SOQ? Yes No
 a. If no, are there other subs on this contract who perform the same work as the added Subconsultant? Yes No
 (If yes, identify Subconsultant(s) and explain reason for request in question #3.)

2) Is the Subconsultant to be added replacing another Subconsultant? Yes No
 a. If yes, identify the Subconsultant and explain.

b. If yes, is the Subconsultant to be replaced a DBE firm? Yes No
 (If yes, identify Subconsultant(s) in question #3 and attach firm's DBE Affidavit.)

3) Must provide justification for adding Subconsultant.

Request to Remove a Subconsultant Firm Name:

1) Is the Subconsultant to be removed a DBE firm? Yes No

2) What firm(s) will gain the work from this removal?
 a. Is the firm(s) gaining the work included in the original SOQ? Yes No

3) Must provide justification for removing Subconsultant.

Disadvantaged Business Enterprises (DBE) Impact

DBE Goal for On-Calls Contracts DBE Commitment for Project Specific Contracts

Adding, replacing and removing Subconsultants will impact the ability to meet the DBE Commitment on the contract. Complete the financial information for the project(s) affected by the below transaction.

	Original Budget plus Prior Mods	Additional Funds/ Re-alignment Amount	Revised Budget Total	Revised DBE Usage
Consultant (Non-DBE)			\$0.00	
Consultant (DBE)			\$0.00	0.00%
Subconsultants (DBE)			\$0.00	0.00%
Subconsultants (Non-DBE)			\$0.00	
Total	\$0.00	\$0.00	\$0.00	0.00%

Provide additional comments or provide explanation if Revised DBE Usage falls below DBE Goal or Commitment:

Consultant Representative Name & Title

Consultant Representative Signature Date

ADOT Project/Contract Manager Date

ECS Director Signature Date

DBE Participation Monitoring and Tracking

1. At NTP, Compliance Specialist creates contract record (CS sends NTP letter to BECO previously)
2. ADOT is tracking all DBE participation but reporting on federally assisted contracts only
3. Monitoring is for ALL payments (DBE and Non-DBEs)
4. Payment and participation data is gathered in eCMS, then transferred monthly to the DBE System
5. Payments trigger email notifications
 - Consultant reports payment while subconsultant verifies
6. Must know: online payment reporting is a contractual requirement, and you must ensure that all DBEs and non-DBE subcontract agreements reflect this requirement in their individual contracts
7. Consultants and subconsultants need to make sure to log into the DBE system and ensure that contact information is accurate and up to date and upload all subagreements
8. Consultants need to enter all subconsultants, DBEs and direct expense vendors (including tier-sub) before submitting the first PR to ECS

Contract Administration Process & Procedures



Subcontract Agreements and 26.29 Prompt Pay Mechanism

1. Sub agreements must include
 - Thirty day invoicing assurance
 - Seven day prompt pay payment assurance
 - Online payment confirmation
 - Online reporting of lower-tier/vendor activities
2. DBE to initial and date each page or it is not valid

26.29 Promp Pay Mechanism

1. Primes submit payment reports within 30 days of receipt from all sub invoices
2. Submit PRs monthly even if \$0.00
3. Identify all sub (DBEs and non-DBEs) payments made to vendors
4. Pay all subs no later than 7 calendar days (A.R.S. §28-411)
5. Send payment reports directly to PMs (list all sub invoices separately)
6. Respond to DBE audit notifications, messages and prompts from DBE System
7. Verify payments made to all subs, lower-tier subs and direct expense vendors
8. All Subs confirm payment receipt and synchronize with consultant billing timeframe to ensure monthly invoicing

Contract Administration Process & Procedures



26.37 DBE Program Monitoring Performance & 26.31 DBE Directory

- a) WHAT: DBE Program must include monitoring and enforcement mechanism to ensure that work committed to DBEs at contract NTP is actually performed by DBEs
- b) HOW: Running tally of actual DBE attainments (payments actually made to DBEs) compared to DBE goal commitments in a monthly DBE report sent to FHWA

26.31 DBE Directory

- Can be found on [AZ UTRACS](#) website
- Updated and maintained with firm's name, phone, types of services the firm is certified for perform
- Revised yearly

26.55 Counting DBE Participation & Contract Closeout

DBE Participation

- a) Counts only if the work is performed by DBE's own resources, equipment and material except when it is leased or purchased from the Prime
- b) Counts if the work is performed in area the DBE is certified in
- c) Counts if bona fide service is provided (professional, technical, consultant or managerial services)
- d) Counts if DBE subcontracts to another DBE

Contract Closeout

- You must submit [Certification of Payments to DBEs](#) for each DBE
- Intent is to acknowledge that payments were made to DBEs for work done
- Must be submitted for each DBE involved on the contract
- Must be signed by Consultant and Subconsultant
- Submit final payment report with this form for each DBE to PM
- Send ICL response to Compliance Specialist
- Final payment will not be released until all certificates are received

Contract Administration Process & Procedures



Certificate of Payments to DBEs Form

Arizona Department of Transportation
Engineering Consultants Section
**CERTIFICATION OF PAYMENTS TO
DISADVANTAGED BUSINESS ENTERPRISES (DBE) FIRMS**
(Submit one form for each DBE involved in the contract)

Contract No.:	Consultant:
Project Description:	
DBE Firm:	DBE Certification #:
DBE Contract Commitment:	DBE Goal Percentage: %
DBE Amount Paid:	Actual DBE Percentage: %
DBE Work Description:	

The undersigned consultant hereby certifies that full payment was made to DBE firm for work completed for the above referenced contract.

This certificate is made under Federal and State laws concerning false statements. Supporting documentation for this payment is subject to audit and should be retained for a minimum of five (5) years from project completion date (Initial Closeout Letter). In the event the DBE was not paid in accordance with affidavits, cost proposals, contract modification or other documents submitted by the consultant, all documentation supporting the consultant's position as to why DBE goal and/or payments to the DBE subcontractors was not met, should be submitted with this form.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Printed Name

Title

Signature Date

Date

The undersigned DBE subcontractor/supplier for the above referenced contract hereby certifies that payments were received and/or justification by consultant is correct.

I DECLARE UNDER PENALTY OF PERJURY IN THE SECOND DEGREE, AND ANY OTHER APPLICABLE STATE OR FEDERAL LAWS THAT THE STATEMENTS MADE ON THIS DOCUMENT ARE TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

Printed Name

Title

Signature Date

Date

Note: This form must be completed and returned to ADOT with the final payment report for each DBE Subcontractor.

Contract Administration Process & Procedures



Dispute Process

- Dissapproval of DBE affidavits and/or GFEs
- If disputed, the three (3) options after receipt of disapproval notification are:
 1. Make required revisions per BECO
 2. Withdraw TO or CM
 3. Request dispute escalation in writing within five (5) calendar days from ECS notification
- Consultant has the burden of proof to provide documentation that they met GFEs
- ECS Compliance Specialist coordinates with appropriate meeting attendees at every level of dispute

Level	ADOT	Consultant	ECS
1	PM/RE/BECO	PM	Specialist
2	PM/GM/DE/BECO	Project Principal/PM	Branch Manager
3	Project Principal/PM	Project Principal	ECS Asst. Manager
4	Deputy SE/SE/BECO	Project Principal	ECS Manager

Contract Administration Process & Procedures



DBE Resource Materials and Contacts

Resource Materials

[DBE System User Manual](#)

[DBE System Training Video](#)

[DBE Responsibilities Matrix](#)

[DBE Process Flowchart](#)

[ECS DBE Program Website](#)

[Public Partnerships](#)

Contacts

Christopher Stafford – ECS Contract Compliance (602) 712-4450

Sanja Katic-Jauhar – ECS Contract Compliance (602) 712-7720

Michael DenBleyker – ECS Manager (602) 712-7808

BECO – (602) 712-7761

Questions?

