



# Illinois Department of Transportation

2300 South Dirksen Parkway / Springfield, Illinois / 62764

## **BDE PROCEDURE MEMORANDUM**

**NUMBER: 10-04**

**SUBJECT: Architectural and Engineering Report and Negotiation Guidelines for Engineering Agreements and Supplements**

**DATE: November 1, 2010**

---

This memorandum replaces BDE Procedure Memorandum 17-09, dated October 15, 2009 and was merely renumbered for the 2010 Edition of the BDE Manual. The form BDE 17-09 (Architectural and Engineering Report and Negotiation Guidelines for Engineering Agreements and Supplements) has not been modified and is still available on the Forms Master List. Therefore, there is no attachment with this memorandum.

---

### **Background**

The purpose of this memorandum is to provide guidelines for the Districts to conduct negotiations with consulting firms.

### **Applicability**

The Districts will be responsible for the negotiation meetings leading to agreement execution for all Division of Highways agreements, except the few agreements which are statewide in scope.

### **Procedures**

The Department schedules the time, date and location of the negotiation meeting, along with the project description in the Professional Transportation Bulletin. When the Agreements Unit notifies the firm of their selection, they are reminded of the scheduled meeting date. The firm is notified that if there is a conflict with the meeting date they should contact the District. The Consultant is also informed at this time to send the current payroll rates by classification and employee name of the Consultant's transportation staff and any subconsultants, and all potential direct cost information to the Agreements Unit.

The District will schedule a meeting with the Consultant to discuss the Department's CADD policy and submittal requirements. The meeting can be scheduled at the District's discretion and can be held in conjunction with another meeting, such as the scoping meeting, but it must take place before the negotiation meeting. Required attendance at this meeting will be the IDOT project engineer, District CADD supervisor, the Consultant's project manager, and the Consultant's lead CADD technician for the project. The milestones shall be set for submittals required for progress reviews.

**BDE Procedure Memorandum 10-04**

**November 1, 2010**

**Page 2**

The District will inform the Consultant that the current Standard Agreement Provisions for Consultant Services and all forms are available on the Department's internet site.

Engineer of Design and Environment

A handwritten signature in black ink, appearing to read "Scott S. Smith", written over a horizontal line.



**Illinois Department  
of Transportation**

**Architectural & Engineering Report And  
Negotiation Guidelines For Engineering  
Agreements & Supplements**

**Project Information:**

PTB # \_\_\_\_\_

Phase \_\_\_\_\_

Route \_\_\_\_\_

Federal Project No. \_\_\_\_\_

Section \_\_\_\_\_

County \_\_\_\_\_

Job No. \_\_\_\_\_

Prime or Supplement \_\_\_\_\_

**District Information:**

District No. \_\_\_\_\_

Contact Person\* \_\_\_\_\_

Phone Number \_\_\_\_\_

Bureau/Section Appropriating Funds \_\_\_\_\_

**Consultant Information:**

Firm Name\*\* \_\_\_\_\_

Contact Person\* \_\_\_\_\_

Phone Number \_\_\_\_\_

E-Mail Address \_\_\_\_\_

\*Contact Person should be the person with working knowledge of the project that the Bureau of Design and Environment (BDE) can contact regarding the proposal package.

\*\*If the project is a Joint Venture, please list the lead firm in the above space and the other firms here:

\_\_\_\_\_

**Prime Consultant:**

A man-hour summary breakdown by prequalification area is required. These figures will be used to compute the percentage of work effort per category for the Prime Consultant's hours. The categories should contain at least all those listed in the advertisement. The Consultant's evaluation will be based on these categories. The percentages may be adjusted during the life of the project based upon any supplemental agreements. The breakdown is summarized as follows:

Prequalification Category:	% of Work
Choose an item. _____	_____
Choose an item. _____	_____
Choose an item. _____	_____

**Subconsultants:**

The work for each subconsultant should be listed separately. If the subconsultant is being utilized to meet the project DBE goal, they must be prequalified in that category and certified as a DBE in that category. Please indicate that they are certified in that category. The certification list is available on the Department's website on the "Doing Business" menu under Small Business Enterprises and IL UCP directory [http://www.dot.il.gov/ucp/ucp.html#DBE\\_Directory](http://www.dot.il.gov/ucp/ucp.html#DBE_Directory). The % of work is computed based on the individual subconsultant's work effort in each category.

Firm Name: \_\_\_\_\_

Prequalification Category:	% of Work	DBE Certification
Choose an item. _____	_____	_____
Choose an item. _____	_____	_____
Choose an item. _____	_____	_____

If more than one subconsultant is being used, use the additional sheet at the back of this document.

## PROPOSAL PACKAGE CHECK SHEET

### MEMORANDUM SHOULD INCLUDE:

- Approval of Man-hours
- Approval of Direct Costs
- Justification for any Direct Costs not on the of list of acceptable Direct Costs
- Approval of DBE % participation
- Approval of QA/QC Plan

### TO BE E-MAILED PRIOR TO SUBMITTING PROPOSAL PACKAGE TO BDE BY DISTRICT:

- Draft scope of services with bar chart/schedule.
- CAAS - Consultant Agreement Approval Sheet - Required for Prime Agreements, if the negotiated fee is over 10% of the original estimate given to the Selection Committee, and all Supplements.

### PROPOSAL PACKAGE INFORMATION TO BE SENT TO BDE BY DISTRICT:

Three copies of the items shown below shall be submitted to the Agreements Unit in the Bureau of Design and Environment after negotiations for any Prime or Supplemental Agreement are completed and accepted by the District.

- District's independent man-hour and direct cost estimate.
- Draft scope of services with bar chart and/or schedule (previously e-mailed by District to BDE).
- A/E Report & Negotiation Guidelines for Engineering Agreements & Supplements (BDE 17-09) <http://insideidot/C15/FormsManagement/pages/bureau.aspx>.
- CAAS - Consultant Agreement Approval Sheet (e-mailed by District to BDE) <http://insideidot/C15/FormsManagement/pages/bureau.aspx>.
- Minutes of negotiation meeting(s) and attendance roster(s).
- Cost Estimate of Consulting Services (CECS). Available on the IDOT website at <http://www.dot.il.gov/desenv/costestm.html>.
- Itemized breakdown of direct costs (BDE 436). Available on the IDOT website at <http://www.dot.il.gov/desenv/consult.html>.
- Approved QC/QA or Revised QC/QA Plan.
- Consultant Employee Utilization Form (for Prime Agreements only) (BDE 2350). Available on the IDOT website at <http://www.dot.il.gov/desenv/consult.html>.
- EEO/AA/Title VI Section Form (for Prime Agreements only) (EEO 1981). Available on the IDOT website at <http://www.dot.il.gov/desenv/consult.html>.
- District Consultant Scoping and Negotiation Check Sheet.
- State Board of Elections Certification for Prime and all Subconsultants.

### INFORMATION TO BE E-MAILED TO BDE BY CONSULTANT:

#### Prime Consultant:

- Payroll Rates by classification, broken down by employee name or other identifier.
- Direct Costs (BDE 436). Available on the IDOT website at <http://www.dot.il.gov/desenv/consult.html>.
- Unit Prices, if applicable.

#### Each Subconsultant:

- Payroll Rates by classification, broken down by employee name or other identifier.
- Direct Costs (BDE 436). Available on the IDOT website at <http://www.dot.il.gov/desenv/consult.html>.
- Unit Prices, if applicable.

Note: The e-mailed payroll rates, direct costs and unit prices should match those used in the CECS. If the current rates have previously been e-mailed to BDE, it is unnecessary to send them.

**CONSULTANT ADDRESSES**

**CORRESPONDENCE (INCLUDING AGREEMENT FOR SIGNATURE) SHOULD BE SENT TO:**

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**BILLING ADDRESS**

The billing address should match the address on file with the Comptroller's office & IRS W-9 form.

Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**PRESIDENT'S ADDRESS**

Evaluations will be sent to the President of the firm.

President: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**CONTRACT INFORMATION**

1. **FUNDING**

Funding for this contract will be as follows:

<u>Fiscal Year</u>	<u>Amount</u>	<u>Program Code Number(s)</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Will the contract include planned supplements?  Yes  No

2. **COMPENSATION**

The advertised basis of payment for this work is: Choose an item.

**COST PLUS FIXED FEE**

**Cost Plus Fixed Fee Compensation = DL+DC+OH+FF**

Legend:

DL = Direct Labor

DC = Direct Cost

FF = Fixed Fee

OH = Overhead Rate

DLS = Direct labor of subconsultants working on the contract

**For Prime Consultants the fixed fee is:**

$(0.37 + R)DL + \%DLS$

Where:

R = Complexity Factor: 0.0, 0.035, or 0.07

The prime is entitled to a percentage of the Direct Labor of the subconsultants. Based on the number of subconsultants being managed on the contract, the percentage ( %) is:

1 or 2 subconsultants = 10% of Direct Labor of all subconsultants working on contract (0.1 DLS)

3 or 4 subconsultants = 12% of Direct Labor of all subconsultants working on contract (0.12 DLS)

5 or more subconsultants = 15% of Direct Labor of all subconsultants working on contract (0.15 DLS)

The number of subconsultants is based on the number working on the prime or supplemental contract and can vary throughout the contract.

**For each of the Subconsultants, the fixed fee is:**

$(0.37 + R)DL$

**DIRECT LABOR MULTIPLE**

Direct Labor Compensation =  $(2.8 + R)DL + DC$

For Prime & Subconsultants

Legend:

DL = Direct Labor

DC = Direct Cost

R = Complexity Factor : 0.0, 0.003 or 0.008

3. **DESIGN APPROVAL**

Indicate status of design approval below. Show dates of receipt of design approval. If you use an anticipated date, you must notify the Agreements Unit once design approval has been received, or if the anticipated design approval date changes (not applicable for Phase III).

<u>Route</u>	<u>Section</u>	<u>Design Approval Date</u>	<u>Structure Number</u>
_____	_____	_____	_____
_____	_____	_____	_____

4. **RISK MANAGEMENT**

Will it be necessary to proceed with construction plan preparation prior to design approval?  Yes  No

A memo requesting risk management should be submitted to BDE after the public involvement is completed and the draft design report has been submitted.

5. **COMPLETION DATE**

Start-up Agreement

Will a Start-up Agreement be used for this contract?  Yes  No  
(Prime Agreements only)

Date of Approval for Start-up Agreement from BDE \_\_\_\_\_

Date of Start-up Agreement Authorization \_\_\_\_\_

Note: Agreement cannot be entered into until the Deputy Director of Highways/Assistant Chief Engineer (Not Regional Engineer) has approved the request and you have been notified by BDE.

**DO NOT AUTHORIZE FIRM TO WORK UNTIL APPROVAL IS GIVEN AND START-UP AGREEMENT IS PROPERLY SIGNED.**

Authorization date must be on or after the date of the Secretary's signature. The start-up will be valid for one year and cannot be supplemented; therefore, the Prime Agreement must be executed within that year to continue the contract.

Prime Agreement

The purpose of the completion date is to establish dates for the escalation of the costs and a basis for possible renegotiation of the remaining fee if the department delays the project due to "no fault of Consultant".

Anticipated Completion Date:\* \_\_\_\_\_

Anticipated Start Date:\* \_\_\_\_\_

\*Note: The anticipated completion date should match the completion date used for escalation in the cost estimate (CECS form). If there is a Start-up Agreement, the starting date is the date of the Secretary's signature on the Start-up Agreement. **For Phase II contracts, the estimated completion date should not include the Phase III hours**, it should be the estimated completion date for the Phase II activities only.

The tentative letting date is: \_\_\_\_\_

Estimated duration of construction: \_\_\_\_\_

Estimated construction cost is: \_\_\_\_\_

Supplemental Agreements

Start Date for the work on this Supplemental Agreement: \_\_\_\_\_

Completion Date for the work on this Supplemental Agreement: \_\_\_\_\_

Will the proposed Supplemental Agreement change the project schedule?  Yes  No

If yes, the agreed anticipated completion date for the project : \_\_\_\_\_

**NEGOTIATION MEETING CHECK SHEET**

- 1. Circulate an Attendance Roster showing names, affiliation, and title.
- 2. Assign the responsibility of preparing the meeting minutes to the Consultant.

(ITEMS 3-7 MAY BE SKIPPED FOR SUPPLEMENTAL AGREEMENTS)

- 3. Discuss with the Consultant the Non-Discrimination and EEO provisions in Sections 2.64 and 2.65 of the Standard Agreement Provisions for Consultant Services (SAPCS).

Has the Consultant read Sections 2.64 and 2.65 of the SAPCS?  Yes  No

If not, have them do so.

Do they agree to comply with the letter and spirit of these provisions?  Yes  No

- 4. Review and discuss the forms prepared by the Consultant showing employee utilization (Consultant Employee Utilization Form) and EEO/AA Form (PM 1981). Have the Consultant include details of EEO in the minutes, such as hiring and number of additional personnel and their classifications.

- 5. Is minority and female employee utilization proposed for this project as high proportionally as it is in the overall staff of the firm?  Yes  No

If not as high, discuss: \_\_\_\_\_

- 6. Attach a completed copy of the "Consultant's Employee Utilization Form" (available on the IDOT website at [www.dot.il.gov](http://www.dot.il.gov)). The District's recommendation on the acceptability of the Consultant's minority and female employee utilization posture as set out in the attached Form and the reason(s) for the recommendation are as follows:

\_\_\_\_\_  
If the recommendation is "posture unacceptable" include in the above the Consultant's reaction toward revising the proposed staffing plan.

- 7. Does the Consultant have any questions on Sections 1 and 2 of the SAPCS? If you are unable to answer any of the questions, list them here for Central Office response.

\_\_\_\_\_

- 8. Inform the Consultant that evaluations will be performed upon the submittal of the deliverables listed below:

\_\_\_\_\_

\_\_\_\_\_

Furnish the Consultant (subconsultant) with copies of the evaluation forms to be used.

Was the specific evaluation criteria discussed?  Yes  No

If no, explain why. \_\_\_\_\_

**(Item 9. is not applicable for Phase III)**

9. If structure plans are included, the District is required to obtain the Bureau of Bridges and Structures (BBS) input for the meeting. The Agreement must show who will check the shop drawings and show the structure numbers.

<u>Structure Number</u>	<u>County</u>	<u>Letting Date</u>	<u>Consultant</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

\*Are the man-hours within the limits established by BBS?  Yes  No

If no, explain the differences and why.

10. Does the staffing plan agree with the plan set forth in the Statement of Interest?  Yes  No

If no, describe the differences and why.

Has this been discussed with the proper Central Bureau/Section?  Yes  No

11. Conflicts of Interest

Phase III

Ask the Consultant to disclose all relationships the Prime and subconsultants have with Contractors that work for the Department. The Quality Assurance oversight and Contractor's quality control by the Prime Consultant or one of the subconsultants, on the same project or other projects, or for material coming from the same plant, may create a conflict of interest. Record all relationships between Consultants and Contractors below. Tell the Consultant that if this changes during the course of the contract, the Department must be notified.

Consultant Name

Contractor Name

_____	_____
_____	_____
_____	_____
_____	_____

12. If the negotiated fee for this work is over 10% of the District estimate given to the Selection Committee, a detailed explanation and justification must be given for the additional work or overrun, and a Consultant Agreement Approval Sheet (CAAS) submitted.
13. The Consultant should be told the necessary forms for preparation of cost estimates are available on the IDOT website at <http://www.dot.il.gov/desenv/costestm.html>
14. State and Federal regulations require a pre-agreement audit. If this audit discloses costs not in accordance with those used, an adjustment in the estimate will be made by the Agreements Unit and the Consultant will be informed of this.

15. The sections of the Standard Agreement Provisions for Consultant Services that should be discussed are listed separately at the end of this check sheet. The amount of explanation needed is dependent on the Consultant's past experience with the Department. Indicate an "X" in the appropriate box near the items that you discussed with the Consultant in the meeting:

**Section 2.13 – Quality Assurance.**

- Notify the Consultant if contract is Limited/No Review.

Review the Consultant's Quality Control and Quality Assurance Plan (QC/QA).

The QC/QA must be reviewed and approved by the District.

Tell the Consultant that the QC/QA can be modified ONLY by written acceptance of the District Chief Engineer.

Tell the Consultant those hours for QC/QA should be broken out in the cost estimate and invoice when billed.

The QC/QA should be reviewed during Supplemental Agreement negotiations and modified, if applicable. Attach a copy of the approved/revised QC/QA to this report.

Phase I and II Only

The Consultant will be required to certify compliance with the approved QC/QA plan. The certification must be sent to the District at each milestone submittal (preliminary plans, draft reports, soil report, drainage study, etc.).

The certification can be in the form of an additional statement in the transmittal letter when submitting the preliminary plans or draft report to the Department. Final certification shall be on the form prescribed by the Department.

Phase III Only

The Consultant will be required to certify compliance with the approved QC/QA plan. The certification must be sent to the District at 50% and 99% of the construction contract completion, in conjunction with normal documentation reviews.

The certification can be in the form of an additional statement in the transmittal letter to the Department. Final certification shall be on the form prescribed by the Department.

**Section 2.21 – Completion Date.**

- Discuss the completion dates listed in the contract information section of this document. Inform them that the Start-up date and the completion date listed should be used in their Cost Estimate for Consultant Services (CECS).

Unforeseen Delays

The Consultant may request additional compensation in the event that the project is delayed beyond the control of and without fault or negligence of the Consultant. The Consultant should request the compensation in writing six months after the scheduled completion date. The compensation will be based on the work left at that time.

**Section 2.24 – Subconsulted Work.**

- Point out that any firm to be used for subconsulted work must be prequalified and approved by the Department and included in the agreement prior to beginning work.** A draft of the subconsultant agreement must be reviewed and approved prior to execution and authorization of the work. If the standard agreement form available on our website is not used, the subconsultant agreement will have to be submitted to Office of Chief Counsel for approval prior to it being accepted. Payment to the subconsultant will be withheld until the agreement is accepted.

**Section 2.26 – Accuracy of Work.**

- Point out that the Standard Agreement Provisions of Consultant Services stipulates the following relative to errors, omissions, and/or negligent acts.

The Consultant shall be responsible for the accuracy of the work and shall promptly make necessary revisions or corrections resulting from his/her errors, omissions, or negligent acts without additional compensation.

The Consultant shall respond to the Department's notice of any errors and/or omissions within 24 hours. Notification shall be by telephone, followed by Certified Mail. The Consultant may be required to visit the project site if directed by the Department.

The Consultant may be required when making their corrections to send personnel to the appropriate office (District or Central Bureau).

The Consultant shall be responsible for any damages incurred as a result of his/her errors, omissions and/or negligent acts and for any losses or costs to repair or remedy construction incurred as a result of his/her errors, omissions, and/or negligent acts according to the Department's Policy on Consultant errors and omissions. Inform the Consultant that the errors and omissions policy is available on the internet.

The Consultant should be aware that the Department will not check such items as end areas on cross sections, detailed dimensions, and calculations except on a random basis.

#### **Section 2.27 – Publications.**

- Does the Consultant have all BDE Procedural Memoranda and Informational Memoranda and has the Consultant been receiving the new series of BDE Memoranda? The District should contact the Policy and Procedures Section in the Bureau of Design and Environment to make arrangements for a Consultant to receive a set of memoranda if the firm needs a current set.

As of April 1, 2008, the Consultant shall be given a copy of the CADD Roadway and Structure Project Deliverables policy.

The BDE Procedure and Informational Memoranda have been furnished by the District (PE I only).

#### Phase III Only

- Does the Consultant also have all Construction Memoranda?

The District should contact the Bureau of Construction to make arrangements for a Consultant to receive a set of the memoranda if the firm needs a current set.

#### **Section 2.29 – Revision of Work.**

- Written Departmental approval is required prior to doing the work. The supplemental agreement will provide the basis of payment and authorization of additional work.

#### **Section 2.69 – Additional Compensation.**

- Emphasize the importance of the provisions of this Section which require the Consultant to notify the Department before they begin work for which they propose to claim an additional fee.

#### **Section 2.81 – Partial Payments/Invoices.**

- Inform the Consultant that their work progress will be monitored and that, if at any time their billing costs on an actual cost agreement exceeds the upper limit of compensation multiplied by the approved percentage of completion shown on the progress reports, the firm's total partial payments shall be limited to this amount. The Liaison Engineer will confer promptly with the Consultant to rectify the costs over running the progress of work.

Inform the Consultant that invoices are available on the Department's Internet site. Discuss which form should be used and how it should be filled out. Discuss the backup information that the Consultant will be required to submit with the invoice.

#### **Section 2.85 – Adjustments to Compensation.**

- For an actual cost agreement with duration of 18 months or less, the Consultant should review the work completed at 50%, 75%, and 90% of the upper limit of compensation and furnish the Department the cost of services still remaining. If the cost of services still remaining at the 75% and 90% completed exceeds the upper limit, the Consultant shall immediately notify the Department.

When duration of an actual cost agreement exceeds 18 months, the Consultant shall review the work accomplished and make an itemized estimate showing the cost incurred and cost of the services still required to complete their obligation, on a quarterly basis, and the result of the review shall be submitted to the Department 25 days following March 31, June 30, September 30 and December 31 of each calendar year. In addition, the Consultant shall make such a review and submit said report when the cost incurred approaches 90% of the upper limit of compensation.

**Section 2.86b (3) – Reimbursements.**

- Salaries of principals and other salaried personnel: When work is to be performed by a principal or another employee that is normally performed by lower rated employees, the estimates and billings must be based on hourly rates as would be paid to employees hired to perform the specific task in question.

The maximum total compensation for partners, principals and employees is \$70.00 per hour (\$145,600.00 annually) that may be charged directly to the contract. All other employees are limited to \$60.00/hr. Compensation that may be charged indirectly to the overhead is subject to the cost criteria of the Federal Acquisition Regulations less direct compensation.

**ADDITIONAL SUBCONSULTANTS**

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Firm Name : \_\_\_\_\_

Prequalification Category: \_\_\_\_\_ % of Work \_\_\_\_\_ DBE Certification \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_

Choose an item. \_\_\_\_\_