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PSC Submissions

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Hearing Date to be Scheduled 06/02/2025

PSC	Department	Type of Approval	New Amount	Cumulative Amount	Description	New Duration	Cumulative Duration
DHRPSC0005279 v 0.01	DPW	New	\$905,000	\$905,000	Emergency Laguna Honda Hospital (LHH) Recertification Compliance.	30	30
DHRPSC0005351 v 0.01	PUC	New	\$15,000,000	\$15,000,000	Perform highly specialized engineering tasks that include conducting geotechnical field explorations, investigations, and laboratory testing; hydraulic modeling, seismic vulnerabilities of water treatment facilities and chemical storage tanks, site surveying in remote locations, reliability and maintenance issues with chemical pumps, preparing reports for new and existing facilities	132	132
DHRPSC0002243 v 1.01	ADM	Amendment	\$450,000	\$1,450,000	As-Needed Dry-Cleaning Services	35	71
DHRPSC0002603 v 1.01	DPH	Amendment	\$1,183,555	\$1,983,555	Security System Maintenance	0	72
DHRPSC0004236 v 1.01	DPW	Amendment	\$5,000,000	\$15,000,000	Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation Project	60	183
		Total	\$22,538,555	\$34,338,555			

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: DPW

Submitted By: Belle Macaranas

Department Coordinator: Belle Macaranas,
belle.macaranas@sfdpw.org

Project Manager: Christine Tang

ServiceNow Number: DHRPSC0005279

Version: 0.01

Version Type: New

Brief description of proposed work: Emergency Laguna Honda Hospital (LHH) Recertification Compliance.

Review Type and Reason

CSC Review Required: Yes

CSC Review Reason(s):

- Requires CSC Approval by Amount

Amount

PSC Amount: \$905,000

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

PSC Duration (Months): 30

Funding

Funding Source: City Funds

Special circumstances related to funding: No

Scope of Work

Clearly describe scope and detail the services to be performed: An emergency declaration has been issued under Section 6.60 of the San Francisco Administrative Code to address urgent compliance needs at the Laguna Honda Hospital and Rehabilitation Center (LHH), located at 375 Laguna Honda Blvd., San Francisco. This action responds to critical requirements for re-certification in the Medicare/Medicaid programs after the California Department of Public Health and Centers for Medicare & Medicaid Services (CMS) terminated LHH's certification in April 2022. Two emergency consultant contracts are necessary to expedite and facilitate the pre-construction and construction phases of the LHH Water Tank Replacement and LHH Fuel Line Replacement projects – part of LHH's recertification compliance efforts. For Water Tank, the scope is Construction Administration by the design consultants, for architecture, civil engineering,

plumbing/pipeline engineering, structural engineering, electrical engineering, and security camera design. For Fuel Line, the scope is Specialty Construction Management by a consultant with technical knowledge of the emergency fuel oil storage and delivery industry.

Why are these services required and what are the consequences of denial?: This service is essential for Public Works to ensure the effective management and completion of critical professional services and compliance efforts needed for the emergency recertification of Laguna Honda Hospital (LHH). This project involves addressing urgent deficiencies cited by the Center for Medicare Services (CMS), including facility repairs necessary to restore and maintain certification status.

Has your department contracted out these services in the last three years?: Yes. See attached list of contracts entered into for these or similar services in the last 3 years.

How many contracts?: 1

Why have you not hired City employees to perform the services?: While we do have the employees with the required skills and expertise, we do not have the bandwidth to have them work on this project at this time. Due to the urgent nature and one time need for this work, we are unable to increase staffing capacity in a timely manner and be able to properly attend to our other existing ongoing projects.

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: Yes

Provide details related to contracts for which dept comm approval required: Commission Chair approval required for Emergency declaration

Will any contracts under this PSC require Board of Supervisors approval: No

Justification

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:
No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lacks necessary facilities/equipment?: No

Q5 - Are the services required on a temporary basis or on a long-term basis?: Temporary Basis

Q5a) Explain the Temporary basis of the services: Immediately needed services to respond to a declared emergency

Q5b) What department(s) have declared this emergency?: DPH, DPW

Q5c) How many days do you anticipate this situation to last?: 730

Q5d) Describe the required skills and expertise needed to perform the services: Experience in acute care facilities under the jurisdiction of OSHPD including operational requirements, practices/standards for basic inpatient services, supplementary services, specialty inpatient occupancies and support operations. Specific specialty expertise such as isolation wards/infectious disease, trauma/intensive care, radiology equipment/imaging suites, psychiatric care, fire/life safety code compliance for acute care (code certification) and emergency medical care.

Q5e) Does the Department have employees with the required skills and expertise?: Yes

Q5f) Explain why the employees are not able to perform these services: While we do have the employees with some of the required skills and expertise, we do not have water tank design experience nor specialty fuel line experience. Additionally, we do not have the bandwidth to have department employees work on this project at this time. Due to the urgent nature and one time need for this work, we are unable to increase staffing capacity in a timely manner and be able to properly attend to our other existing ongoing projects.

Q5g) Will the services terminate upon resolution of the situation?: Yes

Additional information to support your request (Optional):

Union Notifications

Job Class(es): 5212 - Engineer/Architect Principal, 5211 - Eng/Arch/Landscape Arch Sr, 5506 - Project Manager 3, 5207 - Assoc Engineer, 5260 - Arch/Landscp Architectrl Ast1, 5502 - Project Manager 1

Labor Unions: 021 - Prof & Tech Eng, Local 21

Labor Union Email Addresses: L21pscreview@ifpte21.org

Union Review Sent On: 4/2/2025

Union Review End Date: 5/2/2025

Union Review Duration Met On: 5/2/2025



San Francisco Public Works
 General – Director's Office
 49 South Van Ness Ave., Suite 1600
 San Francisco, CA 94103
 (628) 271-3160 www.SFPublicWorks.org

Public Works Order No: 208106

**CITY AND COUNTY OF SAN FRANCISCO
 SAN FRANCISCO PUBLIC WORKS
 EMERGENCY DECLARED**

An **Emergency** exists at the **Laguna Honda Hospital and Rehabilitation Center (LHH)** located at 375 Laguna Honda Blvd., San Francisco, CA 94116.

LHH is a 769-bed skilled nursing facility (SNF) attached to an 11-bed acute care hospital unit. Nationwide, and specifically in the San Francisco Bay Area, there is a recognized shortage of SNF beds for low-income patients Medi-Cal (Medicaid) recipients. While San Francisco has the largest number of SNF beds in the Bay Area, between 2013 and 2020, there was a 23.4 percent decrease in hospital-based and 10.6 percent decrease in free-standing SNF beds in San Francisco. Excluding LHH, there were only 340 Medi-Cal-certified, hospital-based SNF beds and only 368 Medi-Cal-certified, free-standing SNF beds (out of approximately 845 total free-standing SNF beds) in San Francisco. San Francisco has only approximately 16 SNF beds per 1,000 adults. Closing LHH would have a significant impact on the availability of SNF beds in San Francisco.

In April 2022, after deeming LHH out of compliance with applicable Medicare regulations, the California Department of Public Health (CDPH) and the federal Centers for Medicare & Medicaid Services (CMS) terminated LHH's CMS Medicare/Medicaid Provider Agreements and its certification in the Medicare/Medicaid programs.

LHH intends to reapply for certification in the Medicare/Medicaid programs. If the Department of Public Health (DPH) recertification efforts fail, DPH would begin to lose up to \$16 million monthly in Medicare/Medicaid funding. Further, without this funding, DPH could be forced to close LHH, resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City without required hospital or medical services.

To obtain new Provider Agreements and its certification in the Medicare/Medicaid programs, DPH must demonstrate that LHH substantially complies with all applicable Medicare regulations and pass certification surveys. Non-conforming conditions that could jeopardize LHH's ability to achieve certification and maintain substantial compliance may include, but may not be limited to, the capital improvement and/or maintenance projects outlined in the attached letter DPH issued to Public Works on May 11, 2023 titled "LHH Emergency Declaration Request to DPW".

Therefore, an Emergency is declared to exist under the provisions of Section 6.60 of the San Francisco Administrative Code to address LHH re-certification requirements. The estimated cost for the emergency work is expected to exceed \$250,000.

Any Contractor shall be required to indemnify and hold harmless the City & County of San Francisco, its officers, agents and employees and furnish certificates of insurance protecting Contractor, any sub-contractors and the City & County of San Francisco and its officers, agents and employees against claims arising out of work performed pursuant to this order with the City & County of San Francisco, its officers, agents and employees named as additional insureds.

Attachments: LHH Emergency Declaration Request to DPW

DISTRIBUTION:

LHH: Grant.Colfax@sfdph.org

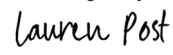
SFPW BDC: Christine.Tang@sfdpw.org; Roger.Hay@sfdpw.org; Julia.Laue@sfdpw.org; Charles.Higueras@sfdpw.org

Deputy Director: Ronald.Alameida@sfdpw.org

Contract Admin: ContractAdmin.Staff@sfdpw.org

X DocuSigned by:

Short, Carla - 073CF73A4EA6486...
Interim Director of Public Works

DocuSigned by:
 5/16/2023 | 2:54:03 PM PDT
ATADD0B946964CD...
Lauren Post
San Francisco Public Works Commission Chair



City and County of San Francisco
London N. Breed
Mayor

San Francisco Department of Public Health

Grant Colfax, MD
Director of Health

May 11, 2023

Dear Director Short:

The Department of Public Health (DPH) respectfully requests that the Director of Public Works declare an emergency under San Francisco Administrative Code Section 6.60 to enable the City to perform construction-related repairs and other emergency work at Laguna Honda Hospital and Rehabilitation Center (LHH).

Background:

LHH is a 769-bed skilled nursing facility (SNF) attached to an 11-bed acute care hospital unit. Nationwide, and specifically in the San Francisco Bay Area, there is a recognized shortage of SNF beds for low-income patients Medi-Cal (Medicaid) recipients. While San Francisco has the largest number of SNF beds in the Bay Area, between 2013 and 2020, there was a 23.4 percent decrease in hospital-based and 10.6 percent decrease in free-standing SNF beds in San Francisco. Excluding LHH, there were only 340 Medi-Cal-certified, hospital-based SNF beds and only 368 Medi-Cal-certified, free-standing SNF beds (out of approximately 845 total free-standing SNF beds) in San Francisco. San Francisco has only approximately 16 SNF beds per 1,000 adults. Closing LHH would have a significant impact on the availability of SNF beds in San Francisco.

In April 2022, after deeming LHH out of compliance with applicable Medicare regulations, the California Department of Public Health (CDPH) and the federal Centers for Medicare & Medicaid Services (CMS) terminated LHH's CMS Medicare/Medicaid Provider Agreements and its certification in the Medicare/Medicaid programs.

LHH intends to reapply for certification in the Medicare/Medicaid programs. If DPH's recertification efforts fail, DPH would begin to lose up to \$16 million monthly in Medicare/Medicaid funding. Further, without this funding, DPH could be forced to close LHH, "resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City without required hospital or medical services." (See S.F. Admin. Code § 6.60(c)(3)).

To obtain new Provider Agreements and its certification in the Medicare/Medicaid programs, DPH must demonstrate that LHH substantially complies with all applicable Medicare regulations and pass certification surveys. Non-conforming conditions that could jeopardize LHH's ability to achieve certification and maintain substantial compliance include, but may not be limited to, the following capital improvement and/or maintenance projects at LHH. These projects must be underway and/or completed on or before November 13, 2023, when Medicare/Medicaid funding for LHH is scheduled to terminate:

1. Kitchen Freezer Area Repairs
2. Fire Alarm Separation Project



San Francisco Department of Public Health

Grant Colfax, MD
Director of Health

City and County of San Francisco
London N. Breed
Mayor

3. HVAC 3B Project
4. Fuel Line Replacement
5. Omnicell Cabinet Replacement
6. Pharmacy Compounding Room Repairs and Renovation
7. Station X Ray Project
8. Water Tank Replacement Project

Emergency Contract Authorization:

Pursuant to Section 6.60(c)(3) of the Administrative Code, which states an "actual emergency" includes, ***"Unforeseen occurrences of unusual character resulting in an insufficient number of hospital beds or the lack of hospital beds or the lack of hospital, surgical, mental health or hospital ancillary services so as to leave patients of the City without required hospital or medical services,"*** DPH respectfully requests that the Director of Public Works declare an emergency and authorize the projects listed above to proceed under a Public Works emergency declaration.

A handwritten signature in blue ink, appearing to read "Grant Colfax".

Dr. Grant Colfax
Director
San Francisco Department of Public Health

List of Previously Approved Contracts for Similar Services (Measured 3 years from the PSC Submission Date)

Dept Acronym:	DPW
Dept Name:	San Francisco Public Works
PSC Coordinator Name:	Belle Macaranas
PSC Coordinator Email:	Belle.macaranas@sfdwp.org
PSC ServiceNow Record No.:	PSC0005279

PS Contract ID	Contract Start Date	Contract End Date	Contract Not to Exceed Amount	PSC ServiceNow Record Number (if PSC approval was obtained)	Brief Description of Services Rendered
1000030133	1/2/2024	1/2/2026	\$ 1,493,000.00	45106-23/24	Laguna Honda Hospital Kitchen Floor Replacement Project: Emergency design and final design drawings for Laguna Honda Hospital Kitchen Floor Replacement Project

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: PUC

Submitted By: Tedman Lee

Department Coordinator: Shawndrea Hale,
SHale@sfgwater.org

Project Manager: Tedman Lee

ServiceNow Number: DHRPSC0005351

Version: 0.01

Version Type: New

Brief description of proposed work: Perform highly specialized engineering tasks that include conducting geotechnical field explorations, investigations, and laboratory testing; hydraulic modeling, seismic vulnerabilities of water treatment facilities and chemical storage tanks, site surveying in remote locations, reliability and maintenance issues with chemical pumps, preparing reports for new and existing facilities

Review Type and Reason

CSC Review Required: Yes

CSC Review Reason(s):

- Requires CSC Approval by Amount

Amount

PSC Amount: \$15,000,000

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

PSC Duration (Months): 132

Funding

Funding Source: City Funds

Special circumstances related to funding: No

Scope of Work

Clearly describe scope and detail the services to be performed: Perform highly specialized engineering tasks that include conducting geotechnical field explorations, investigations, and laboratory testing; hydraulic modeling, seismic vulnerabilities of water treatment facilities and chemical storage tanks, site surveying in remote locations, reliability and maintenance issues with chemical pumps, preparing reports for new and existing facilities

Why are these services required and what are the consequences of denial?: Eighty-five

Post Union Notification

percent of the water supply for the SFPUC customers travels through the Sunol Valley. These water treatment facilities and pipelines vary in age from 5 to over 80 years. If this service is denied, the SFPUC will not be able to understand the condition of the water treatment facilities and pipelines and minimize the potential of unplanned outages that will impact water supply delivery. Thus, these facilities require inspection and repair and or replacement.

Has your department contracted out these services in the last three years?: No

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: Yes

Provide details related to contracts for which dept comm approval required: Contracts over 1 million

Will any contracts under this PSC require Board of Supervisors approval: Yes

Provide details related to contracts for which BOS approval will be required?: Contracts over 10 million and 10 years

Justification

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:

No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lacks necessary facilities/equipment?: Yes

Q4a) What facilities or equipment does the City lack that contractor possesses?: The consultant will need to provide geotechnical investigation equipment and power testing equipment to perform field investigation work.

Does the dept plan to acquire the facilities/equipment to perform the services?: No

Explain why: it would not be practical to acquire facilities/equipment for this work due to the highly specialized nature and as-needed schedule for the services.

Additional information to support your request (Optional):

Union Notifications

Job Class(es): 5241 - Engineer, 5211 - Eng/Arch/Landscape Arch Sr, 5207 - Assoc Engineer

Labor Unions: 021 - Prof & Tech Eng, Local 21

Labor Union Email Addresses: L21pscreview@ifpte21.org

Union Review Sent On: 4/15/2025

Union Review End Date: 5/15/2025

Union Review Duration Met On: 5/15/2025

Post Union Notification

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: ADM

Submitted By: Karina Smith

Department Coordinator: Lynn Khaw,
lynn.khaw@sfgov.org

Project Manager: Karina Smith

ServiceNow Number: DHRPSC0002243

Version: 1.01

Version Type: Amendment

Legacy PSC #: 48655-21/22

Brief description of proposed work: As-Needed Dry-Cleaning Services

Reason for the Request for Amendment: Increase contract NTE by \$450,000 based on an average monthly PO spend of \$18,120. This additional amount is needed to last until the end of the contract term, based on historical spend. Increase the duration to extend three years.

Amount

Previously Approved Amount: \$1,000,000

Increase Amount: \$450,000

Why are you requesting the PSC amount to be increased?: The usage trend shows this contract will exceed the current NTE.

Total Amended Amount: \$1,450,000

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

Previously Approved Duration (months): 36

Duration Increase (months): 35

Why are you requesting the PSC duration to be increased: Usage of the laundry services is expected to continue for at least 35 more months.

Total Amended Duration (months): 71

First Contract Start Date: 7/11/2022

PSC Duration End Date: 6/10/2028

Funding

Funding Source: City Funds

Special circumstances related to funding: No

Scope of Work

Are you making substantive changes to the scope of work last approved?: No

Clearly describe scope and detail the services to be performed: Contractor shall provide dry-

cleaning services for City-owned items for the Department of Public Health (DPH) and Public Works (PW). The items requiring services for DPH include curtains, air mattress bed covers, tablecloths, table skirts, and napkins. The items requiring services for PW include coveralls and bibs. The proposed services contract may be used by other City departments as well.

Why are these services required and what are the consequences of denial?: The DPH and PW require dry-cleaning services for various City-owned items in order to ensure that City employees have clothing or linens that are consistently professional in appearance (no wrinkles), clean, and sanitized. The City does not have its own dry-cleaning facilities and it is impractical for the City to invest in the equipment or machines for these services. For PW, without this contract, the department will be in violation of a labor agreement for not providing professionally cleaned apparels or clothing for employees to use or wear. And for DPH, without this contract, it will pose sanitation and hygiene issues as well. The City is required to provide and maintain linens and clothing in a clean and sanitary conditions for employees to wear or use.

Has your department contracted out these services in the last three years?: No

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: No

Will any contracts under this PSC require Board of Supervisors approval: No

Justification

Has your response to Q1 changed?: No

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:
No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lacks necessary facilities/equipment?: Yes

Q4a) What facilities or equipment does the City lack that contractor possesses?: Dry cleaning laundry equipment.

Does the dept plan to acquire the facilities/equipment to perform the services?: No

Explain why: The City does not have a dry cleaning facility/equipment.

Additional information to support your request (Optional):

Union Notifications

Have the Job Classes/Labor Unions changed?:

Job Class(es): 2770 - Senior Laundry Worker

Labor Unions: 250 - SEIU 1021

Labor Union Email Addresses: PSCreview@seiu1021.org

Union Review Sent On: 3/12/2025

Post Union Notification

Union Review End Date: 5/11/2025
Union Review Duration Met On: 5/11/2025



MEMORANDUM

Date: May 12, 2025
To: Citywide PSC Coordinator – Department of Human Resources
From: Lynn Khaw, Departmental PSC Coordinator, Office of Contract Administration
Subject: Request to Schedule Amendment PSC #DHRPSC0002243 – As-Needed Dry-Cleaning Services for Approval at Next CSC Meeting

The Amendment PSC #DHRPSC0002243 for As-Needed Dry-Cleaning Services is eligible for administrative approval from the Department of Human Resources (DHR). However, the Office of Contract Administration (OCA) has been unable to reach an agreement with SEIU Local 1021 Union.

Given this situation, we kindly request that this PSC be scheduled for the next meeting of the Civil Service Commission (CSC) to obtain their approval.

Please refer to the communications with the Union included with this memo. OCA will continue to communicate with and respond to any inquiries from SEIU 1021.

Meeting and Follow-Up Overview:

The following is an outline of the meeting and follow-up communications between OCA and SEIU 1021:

- April 24: OCA met with SEIU 1021 to discuss their issues and concerns.
- April 29: OCA addressed follow-up questions from the meeting.
- May 12: OCA reaffirmed its previous statements concerning the same issues.

Khaw, Lynn (ADM)

From: Khaw, Lynn (ADM)
Sent: Monday, May 12, 2025 10:36 AM
To: Jegy Sering; DT Service Now (TIS); Smith, Karina (ADM); PSCreview
Cc: Vance, Dolly (ADM); Walker, Lorna (ADM); Alderman, Wil (ADM)
Subject: RE: ADM [DHRPSC0002243] submitted for Union Review

Hi Jegy,

I have addressed item #1 to you. I stated to you that you should contact the DHR Employee Relations Division for your inquiry. Have you contacted ERD? I checked with Jonathan Wright to see if you had contacted him, but he said you haven't.

As previously mentioned, the current "2770 – Senior Landry Worker" job classification does not include operating dry-cleaning equipment or handling dry-cleaning chemicals, and there are no other classifications or positions for dry-cleaning or laundry services. Additionally, the services have always been available to all City departments, including DPH and SFPW. However, neither DPH nor any other City department can justify having institutional dry-cleaning services in-house

As far as we are concerned, we have addressed your questions relevant to the scope of the PSC and will proceed with moving the PSC forward.

Regards,
Lynn

From: Jegy Sering <jegy.sering@seiu1021.org>
Sent: Tuesday, May 6, 2025 6:19 PM
To: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>; DT Service Now (TIS) <ccsfdt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>
Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>; Alderman, Wil (ADM) <Wil.Alderman@sfgov.org>
Subject: Re: ADM [DHRPSC0002243] submitted for Union Review

Thank you for the information, Lynn.

We do not believe that the information has been fully provided, particularly item #1 *"Has the City conducted an analysis of what the costs are if the necessary equipment were to be purchased by the City"* please provide missing information within five calendar days. Thank you.

Additionally, it must be pointed out that there are civil service classifications that can conduct the work, as correctly noted, which are 2770 Senior Laundry Workers, and such information about the scope of work duties is itself readily available in the City's careers website. Thus, the scope of work of this contract can clearly be conducted by a City employee in the 2770 classification. The work needed is clearly ongoing and will continue to be as clearly reiterated in the meeting we had last April 24. The City discussed potentially expanding the contract Citywide, and for this current contract, to expand the use of this contract outside of DPH but also to Public Works where the service is needed.

Feel free to contact me for any questions, and the Union will reach out for any questions.

Jegy Sering

Field Representative
San Francisco Civic Center Chapter
Department of Public Works (DPW) Chapter
SF Redevelopment Agency Chapter (OCII)

Pronouns: they/them or he/him

SEIU Local 1021

Office Address: 350 Rhode Island St #100
San Francisco, CA 94103

Direct #: (415) 307-9302

Email: jegy.sering@seiu1021.org

Member Resources Center: 1-877-687-1021

Not a member? [Member Application](#)

From: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>

Sent: Tuesday, May 6, 2025 9:59 AM

To: Jegy Sering <jegy.sering@seiu1021.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>; Alderman, Wil (ADM) <Wil.Alderman@sfgov.org>

Subject: RE: ADM [DHRPSC0002243] submitted for Union Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jegy,

Please find our responses in [blue](#) below.

Please confirm that I have addressed all your concerns regarding this PSC. If any issues remain, please let me know.

Regards,
Lynn

From: Jegy Sering <jegy.sering@seiu1021.org>

Sent: Tuesday, April 29, 2025 10:57 AM

To: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: Re: ADM [DHRPSC0002243] submitted for Union Review

Good afternoon Lynn,

Following up on our meeting last April 24 we would like to request, including but not limited to, the following information and we have questions after our meeting regarding this PSC. As you know, our intentions here are to look into bringing this work in-house.

- Has the City conducted an analysis of what the costs are if the necessary equipment were to be purchased by the City **[Lynn Khaw: To OCA's knowledge, DPH has not conducted this type of analysis but the union should check with DHR's Employee Relations Division to ask about any study or feasibility analysis they may have conducted.]**
- What are the certifications or requirements needed if the City were to obtain necessary equipment or facilities **[Lynn Khaw: As discussed during our call, OCA is not an expert in this field and cannot provide you with the certifications or requirements needed should the City obtain dry cleaning equipment or establish a drycleaning facility. However, per the terms of the current contract, the supplier is required to comply with the following requirements:**
 - a. Mandatory Green Purchasing Requirements; and
 - b. State of California regulatory requirements pertaining to dry cleaning services, including but not limited to:
 - i. CAL/OSHA- Title 8 Subchapter 7. General Industry Safety Orders Group, 8. Points of Operation and Other Hazardous Parts of Machinery Article 67. Laundry and Dry-Cleaning Equipment;
 - ii. California Code of Regulations Title 16 CFR Part 1610 – Standard for the Flammability of Clothing Textiles;
 - iii. California Code of Regulations, Title 26 – Toxics, Division 11 – State Board of Fabric Care;
 - iv. California Code of Regulations Title 22 CA ADC § 70825 – Laundry Services; and
 - v. State and Local environmental clean water requirements, including those pertaining to discharge stream content.]
- Please elaborate, besides issues concerning lack of necessary facilities, why the City believes it is impractical for the City to hire permanent staff, especially since the work has been done historically by City employees in the 2700 series; there are classifications that directly perform laundry (including dry cleaning) services **[Lynn Khaw: As we discussed during our call, your statement that the “work has been done historically by City employees in the 2700 series” is incorrect, as the City has never operated a dry cleaning facility. Thus, setting aside the fact that it lacks the necessary infrastructure and equipment, it is unrealistic to expect City employees to provide such services.**

Additionally, as we discussed further, the City currently does not have a job classification that can provide these services. The closest classification we talked about during our call is 2770 Senior Laundry Worker. I want to confirm that there are only two such positions in the City, both located at SF Zuckerberg Hospital. They are responsible for picking up and delivering linens and don't provide any laundry services, let alone dry-cleaning services. This position is not active because there are no promotive lines associated with it. Additionally, please note that there are no classifications or positions for dry cleaning or laundry services. Given these limitations, we want to emphasize that it is impractical and unrealistic to expect City employees to perform dry cleaning services.]

Please provide the following information within five working days. We will submit additional questions as they come up.

Jegy Sering

Field Representative

San Francisco Civic Center Chapter
Department of Public Works (DPW) Chapter
SF Redevelopment Agency Chapter (OCII)

Pronouns: they/them or he/him

SEIU Local 1021

Office Address: 350 Rhode Island St #100
San Francisco, CA 94103

Direct #: (415) 307-9302

Email: jegy.sering@seiu1021.org

Member Resources Center: 1-877-687-1021

Not a member? [Member Application](#)

From: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>

Sent: Monday, April 21, 2025 5:45 PM

To: Jegy Sering <jegy.sering@seiu1021.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: RE: ADM [DHRPSC0002243] submitted for Union Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jegy,

The meeting invite has been sent to you.

Regards,

Lynn

From: Jegy Sering <jegy.sering@seiu1021.org>

Sent: Monday, April 21, 2025 2:49 PM

To: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: Re: ADM [DHRPSC0002243] submitted for Union Review

Hi Lynn, we can meet on April 24. Please send a calendar invite.

Jegy Sering

Field Representative

San Francisco Civic Center Chapter

Department of Public Works (DPW) Chapter

SF Redevelopment Agency Chapter (OCII)

Pronouns: they/them or he/him

SEIU Local 1021

Office Address: 350 Rhode Island St #100

San Francisco, CA 94103

Direct #: (415) 307-9302

Email: jegy.sering@seiu1021.org

Member Resources Center: 1-877-687-1021

Not a member? [Member Application](#)

From: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>

Sent: Thursday, April 10, 2025 11:02 AM

To: Jegy Sering <jegy.sering@seiu1021.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: RE: ADM [DHRPSC0002243] submitted for Union Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hi Jegy,

Based on your request, I am proposing the following schedule for the week of April 21:

- Monday, April 21, from 11:30 a.m. to 12:00 p.m.
- Tuesday, April 22, from 2:30 p.m. to 3:00 p.m.
- Thursday, April 24, from 2:30 p.m. to 3:00 p.m.

Please let me know your availability for these times.

Thank you,

Lynn

From: Jegy Sering <jegy.sering@seiu1021.org>

Sent: Wednesday, April 9, 2025 5:32 PM

To: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>; DT Service Now (TIS) <ccsfdt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: Re: ADM [DHRPSC0002243] submitted for Union Review

Hi Lynn,

Unfortunately, I will not be available on any of those dates. Can we look into meeting on the week of April 21st?

Jegy Sering

Field Representative

San Francisco Civic Center Chapter

Department of Public Works (DPW) Chapter

SF Redevelopment Agency Chapter (OCII)

Pronouns: they/them or he/him

SEIU Local 1021

Office Address: 350 Rhode Island St #100

San Francisco, CA 94103

Direct #: (415) 307-9302

Email: jegy.sering@seiu1021.org

Member Resources Center: 1-877-687-1021

Not a member? [Member Application](#)

From: Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>

Sent: Wednesday, April 9, 2025 4:30 PM

To: Jegy Sering <jegy.sering@seiu1021.org>; DT Service Now (TIS) <ccsfedt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Cc: Vance, Dolly (ADM) <dolly.vance@sfgov.org>; Walker, Lorna (ADM) <Lorna.Walker@sfgov.org>

Subject: RE: ADM [DHRPSC0002243] submitted for Union Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello Jegy,

I apologize for my delayed response. The Office of Contract Administration is available to meet with you on the following dates:

- Monday, April 14, from 11:00 a.m. to 11:30 a.m.
- Tuesday, April 15, from 2:30 p.m. to 3:00 p.m.
- Thursday, April 17, from 2:30 p.m. to 3:00 p.m.

Please confirm which dates work best for you, and I will send an invitation. Also, kindly send your questions in advance so we can prepare for our discussion during the meeting.

Regards,

Lynn

Lynn Khaw, CPPO, CPPB, C.P.M.

Departmental Personal Services Contract Coordinator

Office of Contract Administration/Purchasing

City and County of San Francisco

(628) 652-1623 – *Calls will be forwarded to mobile phone*

Email: lynn.khaw@sfgov.org

Webpage: <https://sf.gov/oca>

Working Remotely: Mon, Tues, and Wed

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From: Jegy Sering <jegy.sering@seiu1021.org>

Sent: Thursday, March 20, 2025 8:30 AM

To: DT Service Now (TIS) <ccsfdt@service-now.com>; Smith, Karina (ADM) <karina.smith@sfgov.org>; Khaw, Lynn (ADM) <lynn.khaw@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Subject: Re: ADM [DHRPSC0002243] submitted for Union Review

This message is from outside the City email system. Do not open links or attachments from untrusted sources.

Good morning,

SEIU would like to meet over this PSC. Please provide dates that the City can meet to discuss. Thank you.

Jegy Sering

SEIU 1021 - Field Representative

Get [Outlook for iOS](#)

From: CCSF IT Service Desk <ccsfdt@service-now.com>

Sent: Wednesday, March 12, 2025 3:09:42 PM

To: karina.smith@sfgov.org <karina.smith@sfgov.org>; lynn.khaw@sfgov.org <lynn.khaw@sfgov.org>; PSCreview <PSCreview@seiu1021.org>

Subject: ADM [DHRPSC0002243] submitted for Union Review

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello **250 - SEIU 1021** union representatives,

ADM is requesting your review of PSC [DHRPSC0002243]. Please see relevant details of this request below and in the attached document(s). **Should you have any questions or objections, please state them by replying all to this email by 2025-05-11.**

PSC Summary

=====

Record Number: DHRPSC0002243 v 1.01

Description of Proposed Work: As-Needed Dry-Cleaning Services

Request Type: Amendment

Reason for the Request for Amendment: Increase contract NTE by \$450,000 based on an average monthly PO spend of \$18,120. This additional amount is needed to last until the end of the contract term, based on historical spend. Increase the duration to extend three years.

Approval Type: DHR Approval

Submitting Department: ADM

Dept PSC Coordinator: Lynn Khaw

Dept PSC Coordinator Email: lynn.khaw@sfgov.org

Dept PSC Coordinator Phone: +1 (628) 652-1623

First Contract Start Date: 2022-07-11

Previously Approved Amount: \$1,000,000.00

Increase Amount: \$450,000.00

Total Amended Amount: \$1,450,000.00

Previously Approved Duration (Months): 36

Duration Increase (Months): 35

Total Amended Duration (Months): 71

Funding Source(s): City Funds

Scope of Work: Contractor shall provide dry-cleaning services for City-owned items for the Department of Public Health (DPH) and Public Works (PW). The items requiring services for DPH include curtains, air mattress bed covers, tablecloths, table skirts, and napkins. The items requiring services for PW include coveralls and bibs. The proposed services contract may be used by other City departments as well.

Job Class(es): 2770 - Senior Laundry Worker

PSC Justification(s)

=====

✓ Service for which City lacks the necessary facilities/equipment

Ref:TIS5736448_5nDCjd9PMtljOaxDgjBJ

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - CITY ADMIN -- ADM

Dept. Code: ADM

Type of Request: ☒ Initial ☐ Modification of an existing PSC (PSC # _____)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: As-Needed Dry-Cleaning Services

Funding Source: General Fund

PSC Duration: 3 years

PSC Amount: \$1,000,000

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

Contractor shall provide dry-cleaning services for City-owned items for the Department of Public Health (DPH) and Public Works (PW). The items requiring services for DPH include curtains, air mattress bed covers, tablecloths, table skirts, and napkins. The items requiring services for PW include coveralls and bibs. The proposed services contract may be used by other City departments as well.

B. Explain why this service is necessary and the consequence of denial:

The DPH and PW require dry-cleaning services for various City-owned items in order to ensure that City employees have clothing or linens that are consistently professional in appearance (no wrinkles), clean, and sanitized. The City does not have its own dry-cleaning facilities and it is impractical for the City to invest in the equipment or machines for these services. For PW, without this contract, the department will be in violation of a labor agreement for not providing professionally cleaned apparels or clothing for employees to use or wear. And for DPH, without this contract, it will pose sanitation and hygiene issues as well. The City is required to provide and maintain linens and clothing in a clean and sanitary conditions for employees to wear or use.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

The services were provided using other City procurement methods.

D. Will the contract(s) be renewed?

If funds are available and the services from the awarded supplier are reliable and satisfactory to the City, this contract will be renewed.

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why.
not applicable

2. Reason(s) for the Request

A. Indicate all that apply (be specific and attach any relevant supporting documents):

☒ Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload).

☒ Services that require resources that the City lacks (e.g., office space, facilities or equipment with an operator).

B. Explain the qualifying circumstances:

These services are as-needed to fulfill the dry-cleaning services for DPH and PW. The City doesn't have employees or facilities to perform the work.

3. Description of Required Skills/Expertise

- A. Specify required skills and/or expertise: Contractor must comply with all relevant industry standard requirements for dry-cleaning services related to its business operations and the environmental safety requirements. The requirements are CAL/OSHA- Title 8; California Code of Regulations (CCR) Title 26. Toxics. Division 11; State Board of Fabric Care (Title 16), Sections 512, 512.2, 555.1, 555.3, 555.6, and 556; OSHA Public Law 91-596; and California Code of Regulations (CCR) Title 22.
- B. Which, if any, civil service class(es) normally perform(s) this work? 2770, Senior Laundry Worker;
- C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: Contractor will be taking the items to their laundering facilities to perform dry-cleaning.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

There are no resources available within the City.

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

- A. Explain why civil service classes are not applicable.
Currently there are no civil service classifications that perform these services.
- B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain. No. The City doesn't have the facilities to perform the work.

6. Additional Information

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
No. No training will be provided.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.

E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.

F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
No.

7. Union Notification: On 02/19/2022, the Department notified the following employee organizations of this PSC/RFP request:
SEIU 1021 Miscellaneous

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Lynn Khaw Phone: 4155546296 Email: lynn.khaw@sfgov.org

Address: City Hall, RM 430 San Francisco, CA

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 48655 - 21/22

DHR Analysis/Recommendation:

action date: 05/16/2022

Commission Approval Required

Approved by Civil Service Commission

05/16/2022 DHR Approved for 05/16/2022

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: DPH

Submitted By: Reanna Albert

Department Coordinator: Reanna Albert,
reanna.albert@sfdph.org

Project Manager: AJ Singh

ServiceNow Number: DHRPSC0002603

Version: 1.01

Version Type: Amendment

Legacy PSC #: 49091-22/23

Brief description of proposed work: Security System Maintenance

Reason for the Request for Amendment: To increase the amount to align with the anticipated contract term.

Review Type and Reason

CSC Review Required: Yes

CSC Review Reason(s):

- Requires CSC Approval by Amount

Amount

Previously Approved Amount: \$800,000

Increase Amount: \$1,183,555

Why are you requesting the PSC amount to be increased?: To increase the amount to align with the anticipated contract term.

Total Amended Amount: \$1,983,555

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

Previously Approved Duration (months): 72

Duration Increase (months): 0

Total Amended Duration (months): 72

First Contract Start Date: 9/1/2023

PSC Duration End Date: 8/31/2029

Funding

Funding Source: City Funds

Special circumstances related to funding: No

Scope of Work

Are you making substantive changes to the scope of work last approved?: No

Clearly describe scope and detail the services to be performed: Original coordinator's email: kelly.hiramoto@sfdph.org.

Contractor qualified will provide the San Francisco Department of Public Health (DPH) with 24 hour technical support, proprietary software support and upgrades and onsite support for the existing security system to ensure that the System, as defined below, remains continuously operating in good condition for which it was designed, improved, constructed, altered, or repaired, at various sites within DPH.

Maintenance Definition: Routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered or repaired.

As part of "usual work for preservation" of the System, Maintenance shall include comprehensive Systems assessments, including System documentation, System growth needs, System deficiencies if any, and System, gap analysis at periodic times requested by City and agreed to by Contractor.

In General, the System includes:

1. Headend servers located at Zuckerberg San Francisco General Hospital (ZSFGH);
2. Security Operations Center at ZSFGH, which monitors and responds to device and closed circuit television (CCTV) alarms; and
3. A badging station at ZSFG.

The complete System is comprised of an access/alarm system and a video management system which integrate with each other.

The system is currently comprised of eight active sites with a roadmap to add additional sites over the duration of this contract with at least six additional sites currently identified.

Maintenance services will be provided for the eight current sites. Additional sites will be quoted by the vendor as they come online. The Contractor will maintain those sites as required at an additional cost to the City.

Why are these services required and what are the consequences of denial?: The DPH maintenance services is for its Lenel OnGuard/Prism security system. The services are as-needed, 24 hour availability, and requires specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.

Has your department contracted out these services in the last three years?: No

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: No

Will any contracts under this PSC require Board of Supervisors approval: No

Justification

Has your response to Q1 changed?: No

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:

No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lacks necessary facilities/equipment?: No

Q5 - Are the services required on a temporary basis or on a long-term basis?: Long-term Basis

Q5a) Are the services required on an as-needed, intermittent, or periodic basis?: Yes

Q5a1) Why are the services required on an as-needed, intermittent and periodic basis?:

Services are required on an as-needed, 24 hour, basis for scheduled maintenance and unscheduled, intermittent repair. The maintenance and repair of the existing security system requires specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.

Q5b) Do the services require specialized expertise, knowledge experience?: Yes

Q5b1) Describe the specialized skills and expertise required to perform the services:

Maintenance and upkeep of the security system requires 24 hour technical support and specialized skills working with proprietary products and original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor. Maintenance shall include comprehensive Systems assessments, including System documentation, System growth needs, System deficiencies if any, and System gap analysis at periodic times requested by City and agreed to by Contractor. In General, the System includes: 1. Head end servers located at ZSFG 2. Security Operations Center at ZSFG, which monitors and responds to device and cctv alarms; and 3. A badging station at ZSFG. The complete System is comprised of an access/alarm system and a video management system which integrate with each other. The system is currently comprised of eight active sites with a roadmap to add additional sites over the duration of this contract with at least six additional sites currently identified.

Q5c) Does City have classifications with the required specialized skills or expertise?: Yes

Q5c1) Identify the classifications: 1823 - Senior Administrative Analyst, 1042 - IS Engineer-Journey, 7262 - Maintenance Planner, 1041 - IS Engineer-Assistant, 1044 - IS Engineer-Principal, 1054 - IS Business Analyst-Principal, 1824 - Pr Administrative Analyst, 1043 - IS Engineer-Senior

Q5c2) Does the Department have employees in these classifications?: Yes

Q5c3) Why are they not able to perform the services?: The services are as-needed, 24 hour availability, and require specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.

Q5d) Will contractor directly supervise City employees?: No

Q5e) Will contractor train City employees?: No

Q5e1) Explain why training of City employees is not required: There is no formal training component in the project.

Q5f) Is there a plan to transition this work back to the City?: No

Q5f1) Explain why the work will not be transitioned back to the City: The City currently has civil service classifications that are used to do this type of work.

Additional information to support your request (Optional): Per Original PSC#49091-22/23 Approval, Maintenance and upkeep of the security system requires 24 hour technical support and specialized skills working with proprietary products and original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor. Maintenance shall include comprehensive Systems assessments, including System documentation, System growth needs, System deficiencies if any, and System, gap analysis at periodic times requested by City and agreed to by Contractor.

Union Notifications

Have the Job Classes/Labor Unions changed?:

Job Class(es): 1823 - Senior Administrative Analyst, 1042 - IS Engineer-Journey, 7262 - Maintenance Planner, 1041 - IS Engineer-Assistant, 1044 - IS Engineer-Principal, 1054 - IS Business Analyst-Principal, 1824 - Pr Administrative Analyst, 1043 - IS Engineer-Senior

Labor Unions: 021 - Prof & Tech Eng, Local 21, 039 - Stationary Engineers, Local 39

Labor Union Email Addresses: L21pscreview@ifpte21.org, cpark@local39.org

Union Review Sent On: 5/7/2025

Union Review End Date: 5/14/2025

Union Review Duration Met On: 5/14/2025

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: PUBLIC HEALTH -- DPH

Dept. Code: DPH

Type of Request: ☒ Initial ☐ Modification of an existing PSC (PSC # _____)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: Security System Maintenance

Funding Source: General Funds

PSC Duration: 6 years 1 day

PSC Amount: \$800,000

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

Contractor qualified will provide the San Francisco Department of Public Health (DPH) with 24 hour technical support, proprietary software support and upgrades and onsite support for the existing security system to ensure that the System, as defined below, remains continuously operating in good condition for which it was designed, improved, constructed, altered, or repaired, at various sites within DPH.

Maintenance Definition: Routine, recurring, and usual work for the preservation, protection and keeping of any publicly owned facility for its intended purposes in a safe and continually usable condition for which it was designed, improved, constructed, altered or repaired.

As part of "usual work for preservation" of the System, Maintenance shall include comprehensive Systems assessments, including System documentation, System growth needs, System deficiencies if any, and System, gap analysis at periodic times requested by City and agreed to by Contractor.

In General, the System includes:

1. Headend servers located at Zuckerberg San Francisco General Hospital (ZSFGH);
2. Security Operations Center at ZSFGH, which monitors and responds to device and closed circuit television (CCTV) alarms; and
3. A badging station at ZSFG.

The complete System is comprised of an access/alarm system and a video management system which integrate with each other.

The system is currently comprised of eight active sites with a roadmap to add additional sites over the duration of this contract with at least six additional sites currently identified.

Maintenance services will be provided for the eight current sites. Additional sites will be quoted by the vendor as they come online. The Contractor will maintain those sites as required at an additional cost to the City.

B. Explain why this service is necessary and the consequence of denial:

The existing security system is a necessary component of the safety and security of at least eight DPH health care locations. The 24 hour maintenance of this system is necessary to avoid the consequence of compromised safety, security, and privacy of city health care patients. Inability to continuously operate the security system can result in danger to patients, staff and the public, up to and including death.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

This service is currently being provided by Comtel Systems Technology Inc.

D. Will the contract(s) be renewed?

Yes, if deemed necessary, and funding continues to be available.

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why.

The need for this critical service is expected to be ongoing.

2. Reason(s) for the Request

A. Indicate all that apply (be specific and attach any relevant supporting documents):

☒ Services required on an as-needed, intermittent, or periodic basis (e.g., peaks in workload).

☒ Services that require resources that the City lacks (e.g., office space, facilities or equipment with an operator).

B. Explain the qualifying circumstances:

Services are required on an as-needed, 24 hour, basis for scheduled maintenance and unscheduled, intermittent repair. The maintenance and repair of the existing security system requires specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: Maintenance and upkeep of the security system requires 24 hour technical support and specialized skills working with proprietary products and original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor. Maintenance shall include comprehensive Systems assessments, including System documentation, System growth needs, System deficiencies if any, and System, gap analysis at periodic times requested by City and agreed to by Contractor. In General, the System includes: 1. Headend servers located ZSFG; 2. Security Operations Center at ZSFG, which monitors and responds to device and cctv alarms; and 3. A badging station at ZSFG. The complete System is comprised of an access/alarm system and a video management system which integrate with each other. The system is currently comprised of eight active sites with a roadmap to add additional sites over the duration of this contract with at least six additional sites currently identified.

- B. Which, if any, civil service class(es) normally perform(s) this work? 1041, IS Engineer-Assistant; 1042, IS Engineer-Journey; 1043, IS Engineer-Senior; 1044, IS Engineer-Principal; 1054, IS Business Analyst-Principal; 1823, Senior Administrative Analyst; 1824, Pr Administrative Analyst; 7262, Maintenance Planner;
- C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: Contractor will provide replacement parts using appropriate equipment for the security system as needed and as requested by city.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

None, because maintenance and upkeep of the security system requires 24 hour technical support and specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

- A. Explain why civil service classes are not applicable.
The services are as-needed, 24 hour availability, and requires specialized skills working with proprietary products and expertise using original equipment manufacturer (OEM) parts that must be acquired from the manufacturer or a qualified vendor.
- B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain. No, the City currently has Civil Service classifications that are used to do this type of work.

6. Additional Information

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
No. No. There is no formal training component in the project.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
No.

7. Union Notification: On 12/16/2022, the Department notified the following employee organizations of this PSC/RFP request:
Prof & Tech Eng, Local 21; Professional & Tech Engrs, Local 21; Stationary Engineers, Local 39

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Kelly Hiramoto Phone: 415-255-3492 Email: kelly.hiramoto@sfdph.org

Address: 1380 Howard Street San Francisco, CA 94103

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 49091 - 22/23

DHR Analysis/Recommendation:

action date: 04/03/2023

Commission Approval Required
conditions

Approved by Civil Service Commission with

04/03/2023 DHR Approved for 04/03/2023

Personal Service Contract Summary (PSC Form 1)

PSC Basic Information

Submitting Department: DPW

Submitted By: Belle Macaranas

Department Coordinator: Belle Macaranas,
belle.macaranas@sfdpw.org

Project Manager: Thomas Roitman

ServiceNow Number: DHRPSC0004236

Version: 1.01

Version Type: Amendment

Legacy PSC #: 42606-13/14

Brief description of proposed work: Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation Project

Reason for the Request for Amendment: Increase PSC Amount and PSC duration to continue design and construction phases using existing consultant contract. City-directed design alternative requires additional time and cost for design and environmental services.

Review Type and Reason

CSC Review Required: Yes

CSC Review Reason(s):

- Requires CSC Approval by Amount
- Requires CSC Approval by Duration

Amount

Previously Approved Amount: \$10,000,000

Increase Amount: \$5,000,000

Why are you requesting the PSC amount to be increased?: The added cost for the new design and environmental services necessitates increasing the contract amount to advance the project to construction and minimize risk to approved federal funding.

Total Amended Amount: \$15,000,000

Does contract include items other than services?: No

Duration

Is PSC by Duration or Continuing: Duration

Previously Approved Duration (months): 123

Duration Increase (months): 60

Why are you requesting the PSC duration to be increased: The contract duration needs to be extended to accommodate the additional design and environmental clearance to advance the project to construction and avoid costly delays and increased public safety risk from work stoppage.

Total Amended Duration (months): 183

First Contract Start Date: 7/16/2015

PSC Duration End Date: 10/15/2030

Funding

Funding Source: Federal Funds, City Funds

Special circumstances related to funding: Yes

Explain the special circumstances: The project is funded by the Federal Highway Administration (FHWA) with a programmatic Local Match (SF General Funds) component. Funds already obligated to the project are at risk of being de-obligated or subject to repayment procedures by the FHWA if the project is not advanced to the next phase in a timely manner for reasons other than regulatory delays, litigation, or unforeseen conditions

Scope of Work

Are you making substantive changes to the scope of work last approved?: No

Clearly describe scope and detail the services to be performed: The selected consultant ("consultant") will perform a full range of highly specialized services for the Islais Creek Bridge Rehabilitation Project ("Project"). The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bascule bridges over water with a strong environmental/regulatory component. The consultant will perform the work in three phases. Phase 1 consists of a condition survey of the bridge, preliminary engineering, and environmental studies. Phase 2 consists of detailed design and preparation of construction documents. Phase 3 consists of providing engineering support during construction.

Why are these services required and what are the consequences of denial?: These services are necessary because the Project is extremely unique and will require specialized engineering and environmental/regulatory expertise. Bridge rehabilitation projects are infrequent in the City, and the Islais Creek Bridge is a one of a kind bascule bridge over water that will require focused structural, mechanical, and electrical engineering services. The Project will need bridge assessments and related engineering work to develop a feasible seismic retrofit and rehabilitation strategy. The Project will need to comply with both federal and state environmental requirements [National Environmental Policy Act (NEPA), California Environmental Quality Act (CEQA)] and include the necessary environmental studies as well. Projects with this type of work and complexity are fairly uncommon. Denial of this request will hamper Public Works' effort and will delay the delivery of this major infrastructure project. It could also result in a loss of federal funding and increased risk to public safety if rehabilitation work is not completed in a timely manner.

Has your department contracted out these services in the last three years?: No

Board and Commission Approvals

Will any contracts under this PSC require department Commission approval: Yes

Provide details related to contracts for which dept comm approval required: Commission approval required before awarding contract and for cumulative increases/decreases in increments of 10% of the original contract amount

Will any contracts under this PSC require Board of Supervisors approval: Yes

Provide details related to contracts for which BOS approval will be required?: Board of Supervisors approval required for contract exceeding 10 million dollars and 10 years

Justification

Has your response to Q1 changed?: No

Q1 - Are there any regulatory or legal requirements supporting outsourcing of this work?:

No

Q2 - Does performing these services cause a conflict of interest?: No

Q3 - Are these proprietary services City is not authorized to do?: No

Q4 - Does City lacks necessary facilities/equipment?: No

Q5 - Are the services required on a temporary basis or on a long-term basis?: Long-term Basis

Q5a) Are the services required on an as-needed, intermittent, or periodic basis?: Yes

Q5a1) Why are the services required on an as-needed, intermittent and periodic basis?: This type of project typically lasts many years due to the complex regulatory approval process, and incremental design approvals. The project is developed with multiple phases and there may be significant idle periods after milestones are achieved while the design team waits for regulatory approvals to advance to next phase, scope validation, federal funding authorization, bidding, etc. This is a specialized rehabilitation project that is unique to a single bridge with little to no similar conditions existing in the City's jurisdiction. Once the proposed rehabilitation work is complete, there will be no further need to repeat the project until a similar project is contemplated, which might not be for many years or decades.

Q5b) Do the services require specialized expertise, knowledge experience?: Yes

Q5b1) Describe the specialized skills and expertise required to perform the services: The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bridges over water with a strong regulatory component (Caltrans, BCD, RWQCB, Coast Guard, USACE, Fish and Wildlife, etc). The Project also requires specialized structural, mechanical, and electrical engineering expertise for bascule bridge structures. Consultant work products must be compatible with the requirements of federally funded projects and comply with the requirements/standards of the Federal Highway Administration, Caltrans, SF Planning Department, and Public Works. In addition, environmental consultants need both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) expertise to provide aesthetics/visual, air quality, biological resources, cultural resources, geology/soils, hazards and hazardous materials, land use and planning, noise, transportation and traffic, utilities and service systems and other analyses needed to support the environmental analysis.

Q5c) Does City have classifications with the required specialized skills or expertise?: Yes

Q5c1) Identify the classifications: 5241 - Engineer, 5212 - Engineer/Architect Principal, 5203 - Assistant Engineer, 5299 - Planner 4-Environmental Review, 5211 - Eng/Arch/Landscape Arch Sr, 5278 - Planner 2, 5298 - Planner 3-Environmental Review, 5644 - Principal Environ Specialist, 5620 - Regulatory Specialist, 5219 - Senior Structural Engineer, 5277 - Planner 1, 5642 - Sr. Environmental Spec, 5207 - Assoc Engineer, 5283 - Planner V, 5218 - Structural Engineer

Q5c2) Does the Department have employees in these classifications?: Yes

Q5c3) Why are they not able to perform the services?: The broad and specialized scope of the necessary engineering and environmental services exceeds the City's current capabilities of staff and equipment. City staff and independent peer reviewers will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements. The design team will need to have experience with designing, analyzing, and specifying specialty bridges, understanding the unique conditions of existing bascule bridges, designing for marine work in an active waterway, and conformance with state highway code requirements. In addition, the use of consultants to prepare the environmental document is consistent with the City Planning Department's policy and procedures. (See attached "Use of Consultants in Environmental Review Process Memo")

Q5d) Will contractor directly supervise City employees?: No

Q5e) Will contractor train City employees?: No

Q5e1) Explain why training of City employees is not required: This is a complex specialty consulting service that is not normally handled by City labor force, due to the infrequent nature of the subject work. The engineer-of-record (EOR) is typically responsible for the preparation of the entire plans and specifications. Therefore the City engineering staff would not takeover responsibility or liability for the consulting EOR's design.

Q5f) Is there a plan to transition this work back to the City?: No

Q5f1) Explain why the work will not be transitioned back to the City: The project includes preparation of complete plans, specifications, and construction administration. Once the project is completed, it will not require a similar scope of work to be performed for several decades.

Additional information to support your request (Optional): The current design is based on a large amount of preliminary engineering analysis and environmental studies conducted by the specialty consultant. Continuing the next phase of design with a new design team or different consultant would likely require redoing much of the preliminary work to ensure the assumptions meet with the new design team's confidence. Further, the current consultant was procured using federal contracting procedures to be eligible for federal funding. Selecting a new consultant would result in substantial delays while the City conducts a new federal procurement. Therefore, it is in the City's interest to continue the next phase of design using the same consultant. See attached "Use of Consultants in Environmental Review Process Memo "). from SF Planning Department

Union Notifications

Have the Job Classes/Labor Unions changed?:

Job Class(es): 5241 - Engineer, 5212 - Engineer/Architect Principal, 5203 - Assistant Engineer, 5299 - Planner 4-Environmental Review, 5211 - Eng/Arch/Landscape Arch Sr, 5278 - Planner 2, 5298 - Planner 3-Environmental Review, 5644 - Principal Environ Specialist, 5620 - Regulatory Specialist, 5219 - Senior Strucutral Engineer, 5277 - Planner 1, 5642 - Sr. Environmental Spec, 5207 - Assoc Engineer, 5283 - Planner V, 5218 - Structural Engineer

Labor Unions: 021 - Prof & Tech Eng, Local 21

Labor Union Email Addresses: L21pscreview@ifpte21.org

Union Review Sent On: 5/8/2025

Union Review End Date: 5/15/2025

Union Review Duration Met On: 5/15/2025

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - PUBLIC WORKS

Dept. Code: DPW

Type of Request: ☐ Initial ☒ Modification of an existing PSC (PSC # 42606 - 13/14)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation Project

Funding Source: Local Highway Bridge Program

PSC Original Approved Amount: \$5,000,000 PSC Original Approved Duration: 03/01/14 - 03/31/19 (5 years 4 weeks)

PSC Mod#1 Amount: no amount added PSC Mod#1 Duration: 04/01/19-06/30/20 (1 year 13 weeks)

PSC Mod#2 Amount: \$3,000,000 PSC Mod#2 Duration: 07/01/20-12/31/20 (26 weeks 2 days)

PSC Mod#3 Amount: no amount added PSC Mod#3 Duration: 01/01/21-12/31/23 (3 years)

PSC Mod#4 Amount: \$2,000,000 PSC Mod#4 Duration: 01/01/24-06/01/24 (21 weeks 5 days)

PSC Cumulative Amount Proposed: \$10,000,000 PSC Cumulative Duration Proposed: 10 years 13 weeks

1. Description of Work

A. Scope of Work/Services to be Contracted Out:

The selected consultant ("consultant") will perform a full range of highly specialized services for the Islais Creek Bridge Rehabilitation Project ("Project"). The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bascule bridges over water with a strong environmental/regulatory component. The consultant will perform the work in three phases. Phase 1 consists of a condition survey of the bridge, preliminary engineering, and environmental studies. Phase 2 consists of detailed design and preparation of construction documents. Phase 3 consists of providing engineering support during construction.

Scope Change

B. Explain why this service is necessary and the consequence of denial:

Please see additional attachment.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

Yes, through PSC 42606-13/14 approved 2/3/14, Mod 1 approved 8/4/15, Mod 2 approved 12/4/17, and Mod 3 approved 9/24/20.

D. Will the contract(s) be renewed?

No

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why:

This modification extends the duration to account for additional time for design and more extensive Federal regulatory approvals (NEPA and CEQA) necessitated by the City-directed scope change.

2. Reason(s) for the Request

A. Display all that apply

☒ Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

Explain the qualifying circumstances:

SFDPW is providing project management support to the Project through a SFDPW-IDC designated Project Manager. This Project Manager and other assigned staff will be the City's representatives for purposes of the Project and provide or make available upon request, reports, drawings, documents, GIS land base maps, records, and other data

deemed useful for project development; provide the condition survey, seismic assessment and repair, rehabilitation and seismic retrofit strategy report for the project. Also, a team of 7-8 City staff will be assigned to support and manage the consultant during design and environmental phase. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements. SFDPW will prepare all appropriate permits with technical support from Consultant.

B. Reason for the request for modification:

This modification extends the duration and adds \$2M to account for additional time for design and regulatory approvals necessitated by the City-directed scope change. This requested time and budget authority will ensure the design can be completed through the construction award phase to avoid future delays in project delivery.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: Please see additional attachment.

B. Which, if any, civil service class(es) normally perform(s) this work? 5203, Asst Engr; 5207, Assoc Engineer; 5211, Eng/Arch/Landscape Arch Sr; 5212, Engineer/Architect Principal; 5218, Structural Engineer; 5219, Senior Structural Engineer; 5241, Engineer; 5277, Planner 1; 5278, Planner 2; 5283, Planner 5; 5298, Planner 3-Environmental Review; 5299, Planner 4-Environmental Review; 5620, Regulatory Specialist; 5642, Sr. Environmental Spec; 5644, Principal Environ Specialist;

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: Yes. The consultant will provide facilities, equipment, and computer software for analyses needed for the work.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

Not Applicable

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

A. Explain why civil service classes are not applicable.

The broad and specialized scope of the necessary engineering and environmental services exceeds the City's current capabilities of staff and equipment. The work of consultants will also augment the work of the City's engineers and planners. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements.

B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain: Please see additional attachment.

6. Additional Information

A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.

B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
N/A. This is a complex specialty consulting service that is not normally handled by City labor force, due to the low frequency of the subject work.

C. Are there legal mandates requiring the use of contractual services?
No.

D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
No

E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No

F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
Services will be provided by AECOM Technical Services, Inc.

7. **Union Notification:** On 08/03/22, the Department notified the following employee organizations of this PSC/RFP request:
Architect & Engineers, Local 21;

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Alexander Burns Phone: 415-554-6411 Email: alexander.burns@sfdpw.org

Address: 1155 Market Street, 4th Floor, San Francisco, CA

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 42606 - 13/14

DHR Analysis/Recommendation:

Commission Approval Not Required

Approved by DHR on 08/10/2022

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - PUBLIC WORKSDept. Code: DPW

Type of Request: ☐ Initial ☒ Modification of an existing PSC (PSC # 42606 - 13/14)

Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)

Type of Service: Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation Project

Funding Source: Local Highway Bridge Program

PSC Original Approved Amount: \$5,000,000

PSC Original Approved Duration: 03/01/14 - 03/31/19 (5 years 4 weeks)

PSC Mod#1 Amount: no amount added

PSC Mod#1 Duration: 04/01/19-06/30/20 (1 year 13 weeks)

PSC Mod#2 Amount: \$3,000,000

PSC Mod#2 Duration: 07/01/20-12/31/20 (26 weeks 2 days)

PSC Mod#3 Amount: no amount added

PSC Mod#3 Duration: 01/01/21-12/31/23 (3 years)

PSC Cumulative Amount Proposed: \$8,000,000

PSC Cumulative Duration Proposed: 9 years 43 weeks

1. Description of Work**A. Scope of Work/Services to be Contracted Out:**

The selected consultant ("consultant") will perform a full range of highly specialized services for the Islais Creek Bridge Rehabilitation Project ("Project"). The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bascule bridges over water with a strong environmental/regulatory component. The consultant will perform the work in three phases. Phase 1 consists of a condition survey of the bridge, preliminary engineering, and environmental studies. Phase 2 consists of detailed design and preparation of construction documents. Phase 3 consists of providing engineering support during construction.

B. Explain why this service is necessary and the consequence of denial:

Please see additional attachment.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

Yes, through PSC 42606-13/14 approved 2/3/14, Mod 1 approved 8/4/15, and Mod 2 approved 12/4/17

D. Will the contract(s) be renewed?

No

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why:

Design duration has increased by another year in which the consultant's services are required

and has pushed out the schedule. Various requirements from the planning department and Caltrans has required extra time and work.

2. **Reason(s) for the Request**

A. Display all that apply

☒ Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

Explain the qualifying circumstances:

SFDPW is providing project management support to the Project through a SFDPW-IDC designated Project Manager. This Project Manager and other assigned staff will be the City's representatives for purposes of the Project and provide or make available upon request, reports, drawings, documents, GIS land base maps, records, and other data deemed useful for project development; provide the condition survey, seismic assessment and repair, rehabilitation and seismic retrofit strategy report for the project. Also, a team of 7-8 City staff will be assigned to support and manage the consultant during design and environmental phase. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements. SFDPW will prepare all appropriate permits with technical support from Consultant.

B. Reason for the request for modification:

Work which was originally assumed to be taken on by Public Works staff had to be assigned to Consultant, which includes specialty specification writing and engineering plans, and specialty inspections during construction. Design duration has increased by a year and the amount of work and time required for the consultant's services has increased. Time extension is needed for the consultant to provide their services for the construction phase of the work.

3. **Description of Required Skills/Expertise**

A. Specify required skills and/or expertise: Please see additional attachment.

B. Which, if any, civil service class(es) normally perform(s) this work? 5203, Asst Engr; 5207, Assoc Engineer; 5211, Eng/Arch/Landscape Arch Sr; 5212, Engineer/Architect Principal; 5218, Structural Engineer; 5219, Senior Structural Engineer; 5241, Engineer; 5277, Planner 1; 5278, Planner 2; 5283, Planner 5; 5298, Planner 3-Environmental Review; 5299, Planner 4-Environmental Review; 5620, Regulatory Specialist; 5642, Sr. Environmental Spec; 5644, Principal Environ Specialist;

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: Yes. The consultant will provide facilities, equipment, and computer software for analyses needed for the work.

4. **If applicable, what efforts has the department made to obtain these services through available resources within the City?**

Not Applicable

5. **Why Civil Service Employees Cannot Perform the Services to be Contracted Out**

A. Explain why civil service classes are not applicable.

The broad and specialized scope of the necessary engineering and environmental services exceeds the City's current capabilities of staff and equipment. The work of consultants will also

augment the work of the City's engineers and planners. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements.

- B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain: Please see additional attachment.

6. **Additional Information**

- A. Will the contractor directly supervise City and County employee? If so, please include an explanation.
No.
- B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.
Engineering and Environmental Services Training for Bridge Projects. Estimated total training hours: 2 -10 hours. Number of employees to receive training: 2-10 employees.
- C. Are there legal mandates requiring the use of contractual services?
No.
- D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.
Please see attached document.
- E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.
No.
- F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.
Services will be provided by AECOM Technical Services, Inc.

7. **Union Notification**: On 09/16/20, the Department notified the following employee organizations of this PSC/RFP request:

Architect & Engineers, Local 21;

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: Alexander Burns Phone: 415-554-6411 Email: alexander.burns@sfdpw.org

Address: 1155 Market Street, 4th Floor, San Francisco, CA

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 42606 - 13/14

DHR Analysis/Recommendation:

Commission Approval Not Required

Approved by DHR on 09/24/2020

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - PUBLIC WORKSDept. Code: DPWType of Request: ☐ Initial ☒ Modification of an existing PSC (PSC # 42606 - 13/14)Type of Approval: ☐ Expedited ☒ Regular ☐ Annual ☐ Continuing ☐ (Omit Posting)Type of Service: Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation ProjectFunding Source: Local Highway Bridge ProgramPSC Original Approved Amount: \$5,000,000PSC Original Approved Duration: 03/01/14 - 03/31/19 (5 years 4 weeks)PSC Mod#1 Amount: no amount addedPSC Mod#1 Duration: 04/01/19-06/30/20 (1 year 13 weeks)PSC Mod#2 Amount: \$3,000,000PSC Mod#2 Duration: 07/01/20-12/31/20 (26 weeks 2 days)PSC Cumulative Amount Proposed: \$8,000,000PSC Cumulative Duration Proposed: 6 years 43 weeks**1. Description of Work****A. Scope of Work/Services to be Contracted Out:**

The selected consultant ("consultant") will perform a full range of highly specialized services for the Islais Creek Bridge Rehabilitation Project ("Project"). The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bascule bridges over water with a strong environmental/regulatory component. The consultant will perform the work in three phases. Phase 1 consists of a condition survey of the bridge, preliminary engineering, and environmental studies. Phase 2 consists of detailed design and preparation of construction documents. Phase 3 consists of providing engineering support during construction.

B. Explain why this service is necessary and the consequence of denial:

Please see additional attachment.

C. Has this service been provided in the past? If so, how? If the service was provided under a previous PSC, attach copy of the most recently approved PSC.

Yes, through original PSC 42606-13/14 approved 02/03/2014 and subsequent modification #1 approved on 08/04/2015.

D. Will the contract(s) be renewed?

No

E. If this is a request for a new PSC in excess of five years, or if your request is to extend (modify) an existing PSC by another five years, please explain why:

Yes, the PSC may exceed 5 years based on the scope of work. The PSC is seeking a consultant to perform a full range of planning, environmental, design engineering, and construction

engineering support services, where work will span over the entirety of the project. This particular contracting approach is uncommon, but extremely beneficial to the project as many of the technical and environmental studies will feed directly into the design considerations and, ultimately, the final retrofit and rehabilitation strategy. Having a single consultant will provide for better coordination during the environmental and design phases and continuity during construction. In addition, the Project will involve extensive coordination with SFMTA that may have impact schedule.

2. Reason(s) for the Request

A. Display all that apply

☒ Short-term or capital projects requiring diverse skills, expertise and/or knowledge.

Explain the qualifying circumstances:

SFDPW is providing project management support to the Project through a SFDPW-IDC designated Project Manager. This Project Manager and other assigned staff will be the City's representatives for purposes of the Project and provide or make available upon request, reports, drawings, documents, GIS land base maps, records, and other data deemed useful for project development; provide the condition survey, seismic assessment and repair, rehabilitation and seismic retrofit strategy report for the project. Also, a team of 7-8 City staff will be assigned to support and manage the consultant during design and environmental phase. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements. SFDPW will prepare all appropriate permits with technical support from Consultant.

B. Reason for the request for modification:

This Mod #2 Request is to increase funds and contract duration needed for continued and additional engineering and environmental review services in conformance with the provisions of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) for the Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation Project due to severity of issues found upon detailed investigation and unanticipated comments from regulatory agency.

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise: Please see additional attachment.

B. Which, if any, civil service class(es) normally perform(s) this work? 5203, Asst Engr; 5207, Assoc Engineer; 5211, Eng/Arch/Landscape Arch Sr; 5212, Engineer/Architect Principal; 5218, Structural Engineer; 5219, Senior Structural Engineer; 5241, Engineer; 5277, Planner 1; 5278, Planner 2; 5283, Planner 5; 5298, Planner 3-Environmental Review; 5299, Planner 4-Environmental Review; 5620, Regulatory Specialist; 5642, Sr. Environmental Spec; 5644, Principal Environ Specialist;

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If so, explain: Yes. The consultant will provide facilities, equipment, and computer software for analyses needed for the work.

4. If applicable, what efforts has the department made to obtain these services through available resources within the City?

Not Applicable

5. Why Civil Service Employees Cannot Perform the Services to be Contracted Out

A. Explain why civil service classes are not applicable.

The broad and specialized scope of the necessary engineering and environmental services exceeds the City's current capabilities of staff and equipment. The work of consultants will also augment the work of the City's engineers and planners. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements.

B. If there is no civil service class that could perform the work, would it be practical and/or feasible to adopt a new civil service class to perform this work? Explain: Please see additional attachment.

6. Additional Information

A. Will the contractor directly supervise City and County employee? If so, please include an explanation.

No.

B. Will the contractor train City and County employees and/or is there a transfer of knowledge component that will be included in the contract? If so, please explain what that will entail; if not, explain why not.

Engineering and Environmental Services Training for Bridge Projects. Estimated total training hours: 2 -10 hours. Number of employees to received training: 2-10 employees.

C. Are there legal mandates requiring the use of contractual services?

No.

D. Are there federal or state grant requirements regarding the use of contractual services? If so, please explain and include an excerpt or copy of any such applicable requirement.

Please see attached document.

E. Has a board or commission determined that contracting is the most effective way to provide this service? If so, please explain and include a copy of the board or commission action.

No.

F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? If so, please explain.

Services will be provided by AECOM Technical Services, Inc.

7. Union Notification: On 10/26/17, the Department notified the following employee organizations of this PSC/RFP request:

Architect & Engineers, Local 21;

☒ I CERTIFY ON BEHALF OF THE DEPARTMENT THAT THE INFORMATION CONTAINED IN AND ATTACHED TO THIS FORM IS COMPLETE AND ACCURATE:

Name: David Bui Phone: 415-554-6417 Email: david.bui@sfdpw.org

Address: 1155 Market Street, 4th Floor, San Francisco, CA

FOR DEPARTMENT OF HUMAN RESOURCES USE

PSC# 42606 - 13/14

DHR Analysis/Recommendation:

12/04/2017

Commission Approval Required

Approved by Civil Service Commission

12/04/2017 DHR Approved for 12/04/2017

PERSONAL SERVICES CONTRACT SUMMARY ("PSC FORM 1")

Department: GENERAL SERVICES AGENCY - PUBLIC WORKS Dept. Code: DPWType of Request: ☐ Initial ☒ Modification of an existing PSC (PSC # 42606 - 13/14)Type of Approval: ☐ Expedited ☐ Regular (☐ Omit Posting)Type of Service: Engineering and Environmental Services for the Islais Creek Bridge Rehabilitation ProjectFunding Source: Local Highway Bridge ProgramPSC Original Approved Amount: \$5,000,000PSC Original Approved Duration: 03/01/14 - 03/31/19 (5 years 4 wePSC Mod#1 Amount: no amount addedPSC Mod#1 Duration: 04/01/19-06/30/20 (1 year 13 weeks)

PSC Mod#2 Amount: _____

PSC Mod#2 Duration: _____

PSC Cumulative Amount Proposed: \$5,000,000PSC Cumulative Duration Proposed: 6 years 17 weeks**1. Description of Work****A. Scope of Work:**

The selected consultant ("consultant") will perform a full range of highly specialized services for the Islais Creek Bridge Rehabilitation Project ("Project"). The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bascule bridges over water with a strong environmental/regulatory component. The consultant will perform the work in three phases. Phase 1 consists of a condition survey of the bridge, preliminary engineering, and environmental studies. Phase 2 consists of detailed design and preparation of construction documents. Phase 3 consists of providing engineering support during construction.

B. Explain why this service is necessary and the consequence of denial:

Please see additional attachment.

C. Has this service been provided in the past. If so, how? If the service was provided via a PSC, provide the most recently approved PSC # and upload a copy of the PSC.

Services have been provided in the past through earlier PSC request. See 42606 - 13/14

D. Will the contract(s) be renewed? No

2. Union Notification: On 07/27/15, the Department notified the following employee organizations of this PSC/RFP request: Architect & Engineers, Local 21;

FOR DEPARTMENT OF HUMAN RESOURCES USEPSC# 42606 - 13/14

DHR Analysis/Recommendation:

Commission Approval Not Required

Approved by DHR on 08/04/2015

3. Description of Required Skills/Expertise

A. Specify required skills and/or expertise:

Please see additional attachment.

B. Which, if any, civil service class(es) normally perform(s) this work?

5203,5207,5212,5211,5241,5218,5219,528X,5298,5299,5620,5642,5644,5277,5278,5283,

C. Will contractor provide facilities and/or equipment not currently possessed by the City? If yes, explain:

Yes. The consultant will provide facilities, equipment, and computer software for analyses needed for the work.

4. Why Classified Civil Service Cannot Perform

A. Explain why civil service classes are not applicable:

The broad and specialized scope of the necessary engineering and environmental services exceeds the City's current capabilities of staff and equipment. The work of consultants will also augment the work of the City's engineers and planners. The City's engineers and planners who are experienced with the work will review and substantiate that the engineered design and environmental analysis, respectively, are in conformance with Federal, State, and local requirements.

B. Would it be practical to adopt a new civil service class to perform this work? Explain.

Please see additional attachment.

5. Additional Information (if "yes", attach explanation)**YES NO**

- | | | |
|--|-------------------------------------|-------------------------------------|
| A. Will the contractor directly supervise City and County employee? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| B. Will the contractor train City and County employee? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| C. Are there legal mandates requiring the use of contractual services? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| D. Are there federal or state grant requirements regarding the use of contractual services? Please see attached document. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| E. Has a board or commission determined that contracting is the most effective way to provide this service? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| F. Will the proposed work be completed by a contractor that has a current PSC contract with your department? Services will be provided by AECOM Technical Services, Inc. | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

☒ THE ABOVE INFORMATION IS SUBMITTED AS COMPLETE AND ACCURATE ON BEHALF OF THE DEPARTMENT HEAD
ON 07/27/15 BY:

Name: Sung Kim Phone: 415-554-6417 Email: sung.kim@sfdpw.orgAddress: 1155 Market Street, 4th Floor San Francisco, CA

PSC Attachment:

1B. Explain why this service is necessary and the consequences of denial

These services are necessary because the Project is extremely unique and will require specialized engineering and environmental/regulatory expertise. Bridge rehabilitation projects are infrequent in the City, and the Islais Creek Bridge is a one of a kind bascule bridge over water that will require focused structural, mechanical, and electrical engineering services. The Project will need bridge assessments and related engineering work to develop a feasible seismic retrofit and rehabilitation strategy. The Project will need to comply with both federal and state environmental requirements [National Environmental Policy Act (NEPA), California Environmental Quality Act (CEQA)] and include the necessary environmental studies as well. Projects with this type of work and complexity are fairly uncommon. Denial of this request will hamper SFDPW's effort and will delay the delivery of this major infrastructure project.

3A. Specify required skills and/or expertise:

The Project requires specialized engineering and environmental consultants with expertise in complex, major infrastructure projects, particularly seismic retrofit and rehabilitation of bridges over water with a strong regulatory component (Caltrans, BCD, RWQCB, Coast Guard, USACE, Fish and Wildlife, etc). The Project also requires specialized structural, mechanical, and electrical engineering expertise for bascule bridge structures. Consultant work products must be compatible with the requirements of federally funded projects and comply with the requirements/standards of the Federal Highway Administration, Caltrans, SF Planning Department, and SFDPW. In addition, environmental consultants need both California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) expertise to provide aesthetics/visual, air quality, biological resources, cultural resources, geology/soils, hazards and hazardous materials, land use and planning, noise, transportation and traffic, utilities and service systems and other analyses needed to support the environmental analysis.

4B. Would it be practical to adopt a new civil service class to perform this work? Explain.

No, the work is highly specialized and project specific. Projects of this type and size requiring this particular work are infrequent so the adoption of a new civil service class to perform this work would be impractical. In addition, the utilization of consultants to prepare the environmental document is consistent with City Planning Department's policy and procedures (See attached "Environmental Review Process Summary").



SAN FRANCISCO
PLANNING
DEPARTMENT

GENERAL PLANNING INFORMATION

Environmental Review Process Summary

Planning Department
1650 Mission Street
Suite 400
San Francisco, CA
94103-9425

T: 415.558.6378
F: 415.558.6409

Date:
March 17, 2011

Subject:
**Environmental Review under the California
Environmental Quality Act**

Cal. Pub. Res. Code Section 21000 et seq.; CCR Title 14,
Section 15000 et seq.; and San Francisco Admin. Code
Chapter 31

Introduction

The California Environmental Quality Act (CEQA) was enacted in 1970 in response to the growing awareness that environmental impacts must be carefully considered in order to avoid unanticipated environmental problems resulting from development or planning efforts. The environmental review process provides decision-makers and the general public with an objective analysis of the immediate and long-range specific and cumulative impacts of a proposed project on its surrounding physical environment. In California, environmental review is two-fold in purpose: to disclose the impacts of a project and to ensure public participation.

Environmental review under CEQA is administered for all departments and agencies of the City and County of San Francisco by the Environmental Planning division of the Planning Department (the Department). Projects subject to CEQA are those actions that have the potential for resulting in a physical change of some magnitude on the environment and that require a discretionary decision by the City, such as public works construction and related activities, developments requiring permits (which in San Francisco are discretionary and thus not exempt from CEQA), use permits, activities supported by assistance from public agencies, enactment and amendment of zoning ordinances, and adoption or amendment of the General Plan or elements thereof. No action to issue permits, allocate funds, or otherwise implement a discretionary project may be taken until environmental review is complete.

Projects requiring analysis in environmental impact reports (EIRs) are generally complex major public or private development proposals, or those projects that could potentially have a significant impact on the physical environment.

Exemption from Environmental Review

The environmental review process begins with a determination by the Department as to whether or not a discretionary action by the City falls within a class of projects that are exempt from environmental evaluation pursuant to CEQA Statutes and Guidelines. Projects that are exempt generally include small-scale new construction or demolition, some changes of use, some additions, and other generally small-scale projects. These projects are enumerated in the *Categorical Exemptions from the California Environmental Quality Act*, adopted by the San Francisco Planning Commission (the Commission) on August 17, 2000.

Some small projects may be issued environmental exemptions over the counter at the Planning Information Center (PIC), 1660 Mission Street, First Floor, or may be referred to Environmental Planning staff. In the latter case, the project sponsor (private applicant or government agency) submits an *Environmental Evaluation (EE) Application* to the Environmental Planning intake planner, along with a fee (see *Schedule of Application Fees*).

If the proposed project involves the major alteration or demolition of a property more than 50 years old, the project sponsor will need to file a *Historical Resource Evaluation – Supplemental Information Form* with the *EE Application* so that Department staff can evaluate whether the proposed project would result in impacts on historical resources.

Project sponsors also need to submit a Tree Disclosure Statement with the *EE Application*. Other materials, such as technical reports, may be required on a case-by-case basis. Refer to Special Studies, below.

Community Plan Exemption

Per Section 15183 of the State CEQA Guidelines, community plan exemptions from CEQA review may be issued for projects within adopted plan areas. These exemptions may be issued for larger projects that would not otherwise be exempt, if they are determined not to create significant impacts beyond those identified in the applicable area plan EIR.

Exemption Timeline

A determination of exemption is generally processed in a minimum of two weeks; however, projects that require historical review or other supplemental data may take two months or longer to process, based on factors such as changes in the proposed project, supplemental data requirements, and staff case load.

Appeal of Exemption

A determination of exemption may be appealed to the Board of Supervisors (the Board). The procedures for filing an appeal of an exemption determination are available from the Clerk of the Board at City Hall, Room 244, or by calling (415) 554-5184.

Environmental Review

Please note that some moderate to large projects (e.g., those that create six or more dwelling units and those that create or add 10,000 square feet to a non-commercial building) are required to submit a *Preliminary Project Assessment (PPA) Application* prior to submitting an *EE Application*.

ENVIRONMENTAL EVALUATION APPLICATION

For projects not exempt from environmental evaluation, the project sponsor (private applicant or government agency) files a completed *EE Application* by appointment with the assigned Environmental Planning application intake planner along with a fee based on the construction cost of the proposed project. The Department's *Schedule of Application Fees* and contact information for the intake planner are available online at sfplanning.org, and at the PIC, 1660 Mission Street, First Floor, or by calling (415) 558-6377. The *EE Application* may be filed prior to or concurrently with the building permit application.

SPECIAL STUDIES

To assist Department staff in the environmental evaluation process, the project sponsor may be required to provide supplemental data or studies to the *EE Application* intake planner to address potential impacts on soils, transportation, biological resources, wind, hazards, shadows, noise, air quality, or other issue areas. If a shadow study is required, the project sponsor files a *Shadow Analysis Application* along with a fee (see *Schedule of Application Fees*), and Department staff prepares a shadow fan analysis. If a transportation study is required for impact analysis, the project sponsor submits two fees: one to the Department and one to the Municipal Transportation Agency (see the Department's *Schedule of Application Fees*). Fees are generally non-refundable and are in addition to costs paid by the project sponsor for consultant-prepared reports (see Consultants, below).

INITIAL STUDY

After the project sponsor submits a completed *EE Application*, Department staff prepares an initial study for the proposed project. Projects are evaluated on the basis of the information supplied in the *EE Application*,

any additional information required from the applicant, research, and contact with affected public agencies, citizens groups, and concerned individuals, all by or under the direction of Environmental Planning staff. Initial studies for some large or complex projects may need to be prepared by a consultant rather than by Department staff.

NEGATIVE DECLARATION OR MITIGATED NEGATIVE DECLARATION

If the initial study determines that the proposed project would not have a significant effect on the environment, a preliminary negative declaration (PND) is issued, advertised in a local newspaper, posted at the Department, on its website, and on the subject site, and mailed to various parties as requested.

If the initial study determines that the project would result in significant impacts on the environment, but that such impacts could be reduced to a less-than-significant level through mitigation measures, Environmental Planning staff issues a preliminary mitigated negative declaration (PMND), provided that the project sponsor agrees to implement the mitigation measures.

Appeal of PND or PMND

During the 20 (or 30 if required by CEQA) calendar days after legal advertisement of the PND or PMND issued by the Department, concerned parties may comment on the adequacy of the PND or PMND, request revisions or appeal the determination, and/or request preparation of an EIR. Appeals must be in the form of a letter to the Environmental Review Officer stating the grounds for the appeal and must include an appeal fee (see *Schedule of Application Fees*). The Commission will decide the appeal at an advertised public hearing. The Commission may (1) sustain the PND or PMND as written, (2) amend the PND or PMND, or (3) require that an EIR be prepared.

If no appeal is filed within 20 or 30 calendar days, any substantive comments related to environmental effects will be incorporated into the final negative declaration (FND) or final mitigated negative declaration (FMND), which is signed by the Environmental Review Officer and issued. Approval decisions may then be made on the project.

Appeal of FND or FMND

FNDs and FMNDs are appealable to the Board. The procedures for filing an appeal of an FND or FMND determination may be obtained from the Clerk of the Board at City Hall, Room 244, or by calling (415) 554-5184.

Negative Declaration Timeline

A minimum timetable for the negative declaration (ND) or mitigated negative declaration (MND) process is about six months; the timetable may be six to twelve months or longer based on factors such as changes in the proposed project, staff case load, supplemental data requirements, whether the document is appealed, and – where consultant work is required – quality of work.

ENVIRONMENTAL IMPACT REPORT

Before or during the initial study process, the Department may determine that the project could have a significant effect on the environment and that an EIR is required. The determination that an EIR is required is published in a local newspaper, posted at the Department, at the subject site, and on the sfplanning.org website, and mailed to various parties.

Administrative Draft EIR

If an EIR is required, the project sponsor must have an administrative draft EIR (ADEIR) prepared by a qualified environmental consultant and submitted to Department staff. Fees for processing the EIR are billed when staff advertises the EIR notice of preparation, and are payable upon submittal of the first ADEIR. This first administrative draft is reviewed by Environmental Planning staff in consultation with other relevant Department staff and public agencies. Two or three revisions of the ADEIR are often required for completion of research and verification of accuracy before the material is ready for publication.

Draft EIR Publication and Public Hearing

When staff determines that the ADEIR is acceptable for publication, the Department assumes authorship, authorizes publication of the draft EIR (DEIR), and advertises in a local newspaper and with on-site posting that the DEIR is available for public review, will be considered by the Commission at a specified public hearing, and what, if any, significant impacts are identified in the DEIR. The public hearing before the Commission occurs at least 30 days after publication of the DEIR. The purpose of the hearing is to receive

testimony related to the accuracy and completeness of the DEIR; written comments are also accepted during the review period, which extends at least five days beyond the hearing.

Final EIR Certification

Following the DEIR hearing, a comments and responses document is prepared to respond to all substantive issues raised in the written and oral testimony. The document is distributed to the Commission, commentors, and others as requested. After reviewing the comments and responses document, including any revisions to the DEIR and incorporation into the EIR of any further changes requested by the Commission, the Commission certifies at a public meeting that the final EIR (FEIR) has been completed in compliance with State law, and determines whether the project would or would not have a significant effect on the environment. It is important to note that certification does not approve or disapprove a project, but rather concludes that the EIR complies with CEQA and provides environmental information regarding the proposed project to serve as one of the elements upon which a reasoned decision is based.

If the Commission determines that the proposed project would have a significant effect on the environment, it may approve a project in one of two ways: (1) require changes in the project to reduce or avoid environmental damage if it finds such changes feasible (generally via alternatives and/or mitigation), or (2) find that changes are infeasible and make a statement of overriding considerations. CEQA requires decision-makers to balance the benefits of a proposed project against its unavoidable environmental risks in determining whether to approve the project. If the benefits of a proposed project would outweigh the unavoidable adverse environmental effects, those adverse effects may be considered “acceptable.” The Commission must, in such cases, state in writing the specific reasons to support its action based on the FEIR and/or other information in the record.

Appeal of EIR

The certification of an FEIR is appealable to the Board. Any person or entity that has submitted comments to the Commission or to the Environmental Review Officer may appeal the Commission’s certification of the FEIR to the Board within 20 calendar days after that certification. Appeals must be in the form of a letter to the Board stating the grounds of the appeal, with submittal of an appeal fee (see *Schedule of Application Fees*).

Upon review by the Department, the appeal fee may be reimbursed for neighborhood organizations that have been in existence for a minimum of 24 months. The Board may reject by motion an appeal that fails to state proper grounds for the appeal. The Board must act on valid appeals at an advertised public hearing, which must be scheduled within 30 calendar days after the Commission's certification of the FEIR, but may in certain circumstances extend such time period up to 90 calendar days from the date of filing the appeal. The Board may affirm or reverse the certification by the Commission by a majority vote. If the Board affirms the Commission's certification, the FEIR is considered certified on the date upon which the Commission originally certified the FEIR. If the Board reverses the Commission's certification, the Board must make specific findings and remand the FEIR to the Commission for further action consistent with the Board's findings. The Commission must take such action as may be required by the Board and consider recertification of the EIR. Only the new or revised portions of the FEIR may then be appealed again to the Board.

EIR Timeline

A minimum timeline for the EIR process is 18 months; the period is variable, however, based on factors such as changes in the proposed project, staff case load, supplemental data requirements, quality of consultant work submitted to the Department, nature and volume of the DEIR comments, and whether the FEIR is appealed.

NOTICES OF EXEMPTION/ DETERMINATION

For projects that are exempt from environmental evaluation, the project sponsor may request that a notice of exemption (NOE) be filed after the project is approved. Though not required, the NOE shortens the statute of limitations for legal challenges under CEQA from 180 calendar days to between 30 and 35 calendar days.

A notice of determination (NOD) may be filed upon approval of a project for which an ND, MND, or EIR has been prepared. The filing of an NOD starts a 30-calendar day statute of limitations on court challenges to the approval under CEQA. If no NOD is filed, the statute of limitations is 180 calendar days.

The NOE or NOD must not be filed until after the project is approved but within five working days of project approval. It is possible that several NODs may be needed for one project if the project requires multiple approvals at different times. To file an NOE or NOD, the project sponsor must submit a fee to the County Clerk. A higher fee established by the State Department of Fish and Game is required for filing an NOD for a project that may result in an adverse impact on sensitive species, sensitive habitat, or wildlife migration.

Consultants

The project sponsor may retain or be required to retain environmental consultants to prepare an initial study, ND, MND, EIR, and other environmental documents or studies. The Department has established pools of qualified consultants with expertise in the preparation of environmental, transportation, historical resource, and archeological resource documents. If required for project analysis, the document must be prepared by a consultant who is included in the respective consultant pool. While the project sponsor pays all costs for preparation of the necessary consultant-prepared documents, the Department scopes, monitors, reviews, and approves all work completed by consultants.

For More Information

The following reference materials, applications, and forms are currently available at the Planning Information Center, 1660 Mission Street, First Floor, and on the Department's website, sfplanning.org:

→ **Preliminary Project Assessment (PPA)**

Application – Must be submitted prior to the EE Application if the project would create six or more dwelling units or create/add 10,000 square feet to a non-residential building.

The PPA process provides project sponsors with early feedback for environmental review and other Department requirements before development applications are filed. This early viewing of the project provides sponsors with early feedback and procedural instructions, and also allows staff to coordinate early in the development process.

→ **Environmental Evaluation (EE) Application**

– May need to be filed to determine whether projects are environmentally exempt or require environmental review.

→ **Historical Resources – Supplemental**

Information Form – May need to be filed with the EE Application.

→ **Categorical Exemptions from the California Environmental Quality Act** – Lists the types of projects that are exempt from environmental evaluation.

→ **San Francisco Preservation Bulletin No. 16: CEQA and Historical Resources** – Provides direction and guidance for the environmental evaluation of historic resources.

→ **Initial Study Checklist** – Provides a template for the Initial Study, and also serves to scope an EIR by determining which topics require more extensive review and which do not.

→ **Shadow Analysis Application** – Determines whether new structures above 40 feet in height would cast shadows on San Francisco Recreation and Parks Department properties.

→ **Transportation Impact Analysis Guidelines for Environmental Review** – Aids consultants in preparing transportation impact analyses for NDs, MNDs, and EIRs.

→ **Schedule of Application Fees** – Lists Department fees, including fees for exemptions, initial studies, environmental impact reports, and appeals of environmental determinations. Some fees are based on the construction cost of a proposed project, others are flat fees, and some are based on the cost of time and materials for environmental review processing.

General inquiries regarding environmental review should be directed to Environmental Planning at (415) 575 9025. For information regarding a specific project undergoing environmental review, contact the assigned planner (call the PIC at (415) 558-6377 to request the name and number of the assigned environmental planner).



SAN FRANCISCO
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FOR OTHER PLANNING INFORMATION: Call or visit the San Francisco Planning Department

Central Reception

1650 Mission Street, Suite 400
San Francisco CA 94103-2479

TEL: **415.558.6378**

FAX: **415.558.6409**

WEB: **<http://www.sfplanning.org>**

Planning Information Center (PIC)

1660 Mission Street, First Floor
San Francisco CA 94103-2479

TEL: **415.558.6377**

*Planning staff are available by phone and at the PIC counter.
No appointment is necessary.*

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CHAPTER 10 CONSULTANT SELECTION

10.1 GENERAL

INTRODUCTION

A local agency may engage consultants to perform architectural, engineering, and related services needed to develop a federal-aid or state funded project. Those private consulting firms providing architectural, landscape architectural, engineering, environmental, land surveying, construction engineering, or construction project management services, with respect to a construction project, are termed “Architectural and Engineering (A&E) Consultants.” Local agencies requesting federal or state funds to reimburse A&E Consultants must follow the selection and contracting procedures detailed in this chapter.

ARCHITECTURAL AND ENGINEERING CONSULTANTS

The provisions of the Brooks Act (40 USC, Section 1104) require local agencies to award federally funded engineering and design related contracts on the basis of fair and open competitive negotiations, demonstrated competence, and professional qualifications (23 Code of Federal Regulations (CFR), Part 172), at a fair and reasonable price (48 CFR 31.201-3). Both federal and California state law (Government Code 4525-4529 et al) requires selection of A&E contract services on the basis of demonstrated competence and professional qualifications.

Cost proposals submitted to the local agency, if above the small purchase procurement threshold, must be sealed and may not be included as a criterion for rating such consultants. After ranking, cost negotiations may begin with the most qualified consultant and only their cost proposal will be opened. Should negotiations fail or result in a price the local agency does not consider to be fair and reasonable, negotiations must be formally terminated and the local agency must then undertake negotiations with the second most qualified consultant.

If the negotiations with the second most qualified firm are not successful, negotiations must be formally terminated and the local agency must then undertake negotiations with the third most qualified consultant, and so on, until the price is determined to be fair and reasonable by the local agency.

In selecting an A&E consultant, a detailed technical proposal or qualifications proposal, and a proposed contract will be required.

Depending upon the scope of work, the required contract provisions may need to include the California State Prevailing Wages (Federal “Payment of Predetermined Minimum Wage” applies only to federal-aid construction contracts). Prevailing wages will apply if the services to be performed will involve land surveying (such as flag persons, survey party chief, rodman or chainman), materials sampling and testing (such as drilling rig operators, pile driving, crane operators), inspection work, soils or foundation investigations, environmental hazardous materials and so forth. California State Prevailing Wage information is available through the California Department of Industrial Relations web site at: http://www.dir.ca.gov/dlsr/statistics_research.html

Wage guidelines entitled, *Consultant Guidelines for Prevailing Wage and Labor Compliance on Architectural and Engineering (A&E) Contracts* are used to administer Caltrans Consultant contracts and are available at: http://www.dot.ca.gov/hq/construc/A&E_Guidelines/A&EGuidelines.pdf

NON A&E CONSULTANTS

Consultants other than A&E consultants may be selected using cost, cost and qualifications (best value) or other critical selection criteria. The procedures outlined in this chapter can be modified for selecting non-A&E consultants by adding a cost item to the contract proposal. The Brooks Act and the audit and review process described in Section 10.3 of this chapter are optional for non A&E Consultant contracts.

SELECTING THE PROJECT

The local agency is responsible for selecting and initiating a federal-aid or state financed transportation project. The decision to begin project development is influenced by the project needs, its acceptability, the timing of studies, financing, and construction. The local agency must identify the project's objectives including the general level of improvement or service, operating standards, maximum cost and the target date for project completion before commencing any consultant selection process.

SUBCONTRACTED SERVICES

The consultant is responsible for performing the work required under the contract in a manner acceptable to the local agency. The consultant's organization and all associated consultants and subconsultants must be identified at the time of the proposal. If the consultant wishes to use a subconsultant not specified in the proposal, prior written approval must be obtained from the local agency.

If a subcontract for work or services to be performed exceeds \$25,000, the subcontract must contain all required provisions of the prime contract.

ORGANIZATIONAL AND CONSULTANT CONFLICTS OF INTEREST

In the procurement of contracts for engineering services by private consulting firms using federal-aid highway or state funds, local agencies must take all the steps necessary to prevent fraud, waste and abuse. The Local agency must develop and maintain a written code of conduct governing the performance of its employees engaged in the award and administration of federal-aid highway funded contracts, including the prevention of conflicts of interest.

A conflict of interest occurs when a public official's private interests and his or her public duties and responsibilities diverge or are not consistent. Conflicts of interest may be direct or indirect (e.g., as result of a personal or business relationship). Additionally, the appearance of a conflict of interest should be avoided as an apparent conflict may undermine public trust if not sufficiently mitigated.

FEDERAL REGULATION GOVERNING CONFLICT OF INTEREST (23 CFR 1.33) REQUIRES THAT:

- No contracting agency employee who participates in the procurement, management, or administration of federal or state funded contracts or subcontracts shall have, directly or indirectly, any financial or other personal interest in connection with such contract or subcontract;
- No person or entity performing services for a contracting agency in connection with a federal or state funded project shall have, directly or indirectly, any financial or other personal interest, other than employment or retention by the contracting agency, in any contract or subcontract in connection with such project;
- No person or entity performing services for a contracting agency in connection with a FAHP funded project shall have, directly or indirectly, any financial or other personal interest in any real property acquired for the project.

CONSULTANTS PERFORMING WORK ON MULTIPLE PHASES OF FEDERAL-AID PROJECTS

Local agencies sometimes wish to hire the same consultant firm to perform construction engineering and/or inspection services on the same project on which the firm also performed design services. This can result in project delivery efficiencies, as the design firm is well-suited to verify that the project is being constructed in accordance with the design and can resolve issues related to the design on behalf of the contracting agency. However, this may also pose a potential conflict of interest if the firm has a vested financial interest in failing to disclose deficiencies in its design work product and seeks to insulate itself from pecuniary liability in subsequent phases of the project, such as minimizing or ignoring design errors and omissions, rather than serving the best interests of the contracting agency and the public. *Procuring a different firm from the design firm to provide the necessary construction engineering and/or inspection services provides another level of review and reduces the risk of, or potential for, a conflict of interest.*

Although federal regulations do not expressly prohibit the same firm from providing services on subsequent phases, the local agencies are responsible for ensuring the public interest is maintained throughout the life of a project and that a conflict of interest, direct or indirect, does not occur or is sufficiently mitigated by appropriate public agency controls. Prior to allowing a consulting firm to provide services on subsequent phases of the same project, the contracting agency must establish appropriate compensating controls in the form of policies, procedures, practices, and other safeguards to ensure a conflict of interest does not occur in the procurement, management, and administration of consultant services.

When design and construction phase services are procured under a single solicitation, the selection of the consulting firm must be based on the overall qualifications to provide both design and construction phase services, which require different skill sets, experience, and resources. Procuring these services under different solicitations may result in selection of a more qualified firm to perform services in each phase, as the most qualified firm to perform design phase services may not be the most qualified firm to provide construction phase services. Similarly, the qualifications and capacity of a firm may change over time. *As such, it may not be appropriate to contract with a consulting firm to provide construction phase services at the outset of a design phase, knowing that these services may not be needed for an extended period of time until the preconstruction phase of the project is complete and construction funding authorized.*

The contract with a consulting firm providing design phase services on a project may not be amended to include construction phase services unless the desired construction phase services were included within the original advertised scope of services and evaluation criteria of the solicitation from which a qualifications based selection was conducted.

All consultants acting in a management role must complete Exhibit 10-U *Consultant in Management Position Conflict of Interest and Confidentiality Statement* and retain it in the local agency files.

AUTHORIZATION TO PROCEED

The Federal Highway Administration (FHWA) must give the local agency an “Authorization to Proceed” with the work prior to the performance of any work for which federal reimbursement is to be requested, (see Chapter 3, “Project Authorization,” of the LAPM). For state funded projects, see Chapter 23, “Local Agency State Transportation Improvement Program Projects,” of the *Local Assistance Program Guidelines* (LAPG) for guidance as to when work may proceed.

Copies of the “Authorization to Proceed” and the consultant contract must be retained in the local agency project files for future audit purposes.

10.2 IDENTIFYING & DEFINING A NEED FOR CONSULTANTS

The need for a consultant is identified by comparing the project’s schedule and objectives with the local agency’s capabilities, its staff availability of the required expertise, and its funding resources. If the local agency does not have sufficient staff capabilities, it may choose to solicit assistance from another agency, or use a qualified private consultant to perform the required work.

If the local agency determines that there is a need to solicit assistance from another local agency, or to use a consultant, the District Local Assistance Engineer (DLAE) should be notified if federal-aid or state funds are to be requested for the project segment to be contracted out.

APPOINTING THE CONTRACT ADMINISTRATOR

The Contract Administrator is responsible for ensuring the quality of consultant contract products or services. The Contract Administrator is appointed as soon as the need for consultant services is identified. The Contract Administrator is involved throughout the development of the selection process and the contract provisions, and in the administration of the consultant’s work. The Contract Administrator must be a qualified local agency employee, or have staff that is qualified to ensure the consultant’s work is complete, accurate, and consistent with the terms and conditions of the consultant contract. On federal-aid contracts the Contract Administrator or staff members must be a full time employee and thoroughly familiar with the work to be contracted out and the standards to be used. The Contract Administrator must also abide by the laws, regulations and policies required as part of accepting federal or state funding for their project. Non-compliance with the laws, regulations, and policies may result in loss of project funding.

The Contract Administrator’s duties include, but are not limited to the following:

- Provides direction to ensure the proposed work is advertised properly;
- Prepares and distributes the Request for Qualifications (RFQ), description of work, and Request for Proposals (RFP), if used;
- Prepares the draft contract;
- Arranges for preparation in advance of an independent estimate of the value of the work to be contracted out;
- Ensures that the selection procedures are followed;
- Analyzes the selected/best-qualified consultant’s cost proposal;
- Serves as the local agency’s primary contact person for the successful consultant;
- Monitors the consultant’s progress and provides direction;
- Reviews billings and determines whether costs billed are reasonable in relation to the work performed during billing period;
- Approves the consultant’s progress payments and ensures that billings are in accordance with the terms and conditions of the contract;
- Identifies other local agency staff for the consultant to contact, if needed.

DETERMINING THE PROJECT SCHEDULE

The local agency develops a schedule for performance of work and completion of the project. The schedule must include sufficient time to allow for:

- Selecting the consultant;
- Developing the consultant contract;
- Completing the A&E consultant contract audit process;
- Conducting meetings and project reviews.

SEGMENTING CONSULTANT WORK

Consultant services are most effective when consultant work is segmented appropriately. The extent of segmenting depends upon the type and complexity of the work. Combining preliminary engineering tasks with the preparation of the required environmental analysis is normally desirable. Preparing an Environmental Assessment (EA) or Environmental Impact Statement (EIS) is more than simply writing a report. Assessment and impact reports include preliminary engineering needed to analyze project alternatives and produce an engineering and planning assessment. Initial project studies include only as much traffic and engineering analysis of alternatives, as is needed to produce a sound EA or EIS (see Chapter 6, “Environmental Procedures,” of the LAPM and Chapters 31 and 32 of the *Standard Environmental Reference* [SER]). Final detailed design shall not begin until environmental clearance has been received if federal reimbursement is desired.

Refer to Figure 10-1 “Segmenting Consultant Work” in this chapter, which illustrates several satisfactory ways to segment consultant activities.

FIGURE 10-1 SEGMENTING CONSULTANT WORK

	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 & Estimates				
Right of Way Activities				
Utility Relocation				
Construction Engineering				

SPECIFY PRODUCTS TO BE DELIVERED

The Contract Administrator identifies the products and services to be delivered as a result of consultant contract work. These vary depending upon the type of projects and the phase of project development being addressed.

SCOPE OF CONSULTANT WORK

The scope of work, which the contract must include, is a detailed description of the products or services the consultant is to provide. From a detailed scope of work, consultants respond to a project advertisement; determine personnel and time requirements; and develop a technical proposal. Therefore, the scope of work must be clear, concise, complete, and describe the deliverables and deadlines.

NON-DISCRIMINATION CLAUSE

The Non-Discrimination Clause (Exhibit 10-V) must be included in each consultant contract. The consultant must include the nondiscrimination and compliance provisions of the Non-Discrimination Clause in all subcontracts to perform work under the contract.

DISADVANTAGED BUSINESS ENTERPRISE (DBE) PARTICIPATION

When administering federal-aid projects, federal regulations (49 CFR, Part 26) require a local agency to comply with the DBE program, and take necessary steps to ensure that DBE firms have the opportunity to participate in the projects. Such steps include the setting of goals to ensure DBE firms are considered by the proposing consultants and, when feasible, organizing the project schedule and task requirements to encourage participation in the contract by DBE firms. Local agencies should be fully aware of all of the subcontracting opportunities in their consultant contracts. For detailed information and requirement on DBE Program, see Chapter 9 *Civil Rights and Disadvantaged Business Enterprises* of the LAPM.

The consultant must ensure that certified DBE firms have the opportunity to participate in the performance of the contract and must take all necessary and reasonable steps to facilitate participation by DBE firms for such assurance.

A DBE goal must be established by the local agency for each contract if there are subcontracting opportunities and available DBE firms. The consultant must meet the goal by using DBEs, or if not able to meet the DBE goal, document that a good faith effort was made to meet the contract goal. Good faith efforts must be documented by the consultant and approved by the local agency (see Exhibit 15-H *DBE Information-Good Faith Efforts* of the LAPM). If the consultant's documented good faith efforts are found to be inadequate by the local agency, the consultant must be offered an opportunity for reconsideration.

If a DBE subconsultant is unable to perform its subcontracted services and the goal is not otherwise met, the consultant must make a good faith effort to replace it with another DBE subconsultant to the extent needed to meet the DBE goal. For more detailed information see Exhibit 10-I *Notice to Proposers DBE Information*. For sample contract clauses with and without specified DBE goals see Exhibit 10-J *Standard Contract Provisions for Subconsultant/DBE Participation*.

Exhibit 10-I *Notice to Proposers DBE Information* must be included in the RFQ or RFP, if the proposed contract will include federal-aid funds. Exhibit 10-J *Standard Contract Provisions for Subconsultant/DBE Participation* must be included in the award package in all consultant contracts with federal-aid funds.

REPORTING DBE COMMITMENTS AND DBE INFORMATION**FOR CONTRACTS WITH DBE GOALS**

If the local agency has set a DBE goal, Exhibit 10-O1 *Consultant Proposal DBE Commitment* must be included in the proposal package provided to the local agency by each (prime consultant) proposer. The purpose of Exhibit 10-O1 is to demonstrate the proposer's commitment to meet the DBE goal set by the local agency.

Exhibit 10-O2 *Consultant Contract DBE Information* of the LAPM must be completed and included in the award package. The purpose of this form is to capture DBE participation in accordance with 49 CFR, Part 26. This form must include the names, addresses, and phone numbers of DBE firms that will participate with a complete description of work or supplies to be provided by each, and the dollar value of each DBE transaction. When 100 percent of a subcontracted item of work is not to be performed or furnished by the DBE firm, a description of the exact portion of work to be performed or furnished by that DBE must be included in the DBE commitment, including the planned location of that work. A proposer certified as a DBE firm must describe the work it has committed to be performed with its own forces, as well as any other work that it has committed to be performed by the DBE subconsultant, suppliers, and trucking companies.

The winning proposer must provide written confirmation from each DBE firm participating in the contract. A copy of a DBE's quote will serve as written confirmation that the DBE is participating in the contract. If a DBE is participating as a joint venture partner, the proposer must submit a copy of the joint venture agreement.

FOR CONTRACTS WITH NO DBE GOALS

For contracts with 0% no DBE contract goal, Exhibit 10-O1 is not necessary and only Exhibit 10-O2 *Consultant Contract DBE Information* must be included in the award package and provided by the winning proposer.

REPORTING DBE FINAL UTILIZATION (CONTRACTS WITH OR WITHOUT GOALS)

Upon completion of the contract a summary of the DBE final utilization must be prepared, certified correct, and submitted on Exhibit 17-F *Final Report-Utilization of Disadvantaged Business Enterprise (DBE), First-Tier Subconsultant* or equivalent to the local agency showing total dollars paid to each subconsultant and supplier. Exhibit 17-F is reviewed by the local agency and certified as complete and accurate.

The local agency must send the original, plus one copy of the completed Exhibit 17-F with the final invoice to the DLAE within thirty (30) days after completion of the contract.

ESTIMATED COST OF CONSULTANT WORK

An independent estimate for cost or price analysis is needed for all consultant contracts (49 CFR 18.36(f)) to ensure that consultant services are obtained at a fair and reasonable price. The estimate is prepared in advance of requesting a cost proposal from the top-ranked consultant, so the local agency's negotiating team has a detailed cost analysis of the project to evaluate the reasonableness of the consultant's cost proposal. The estimate, which is specifically for the use of the local agency's negotiating team, is to be kept confidential.

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 is required to deliver, and a time schedule of when they must be delivered.

It should be stressed that all work to be derived from the consultant services (such as preliminary design, environmental or final design) must be clearly identified in the solicitation of consultant services (RFQ or RFP) and included in the cost estimate. The addition of work to the original scope by amendment should be avoided whenever possible.

The cost estimate must include a detail cost breakdown of:

- Direct labor costs;
- Indirect costs;
- General and administrative costs;
- Other direct costs;
- Subconsultant costs;
- Net fee or profit.

If more than one project or phase of work is to be developed within the consultant contract, separate cost estimates are required for each project or phase of work. Separate cost estimates are required for each milestone and portion of the work expected to be subcontracted.

DETERMINE TYPE OF CONTRACT

Type of contract to be used are described as follows:

- Project-specific contract is between the local agency and consultant for the performance of services and a defined scope of work related to a specific project or projects.
- Multi-purpose contract is a project-specific contract where the defined scope of work is divided into phases which may be negotiated and executed individually as the project progresses.
- On-call contract is a contract for a number of projects, under which task or work orders are issued on an as-needed basis, for an established contract period. On-call contracts are typically used when a specialized service of indefinite delivery or indefinite quantity are needed for a number of different projects (such as construction engineering, design, environmental analysis, traffic studies, geotechnical studies, field surveying, etc.). Many agencies use these contracts to address peaks in workload of in-house engineering staff and/or to perform a specialized service which the agency does not have. On-call contracts shall specify a reasonable maximum length of contract, not to exceed 5 years, and a maximum total contract dollar amount (23 CFR 172).

To maintain the intent of the Brooks Act (40 U.S.C. 1101-1104) in promoting open competition and selection based on demonstrated competence and qualifications, on-call consultant contracts established through the RFQ process must meet the following requirements:

- Must define a general scope of work, complexity, and professional nature of services.
- Specify a “task order” procedure the local agency uses to procure project specific work under the contract.
- If multiple consultants are to be selected and multiple on-call contracts awarded through a single solicitation for specific services:
 - Identify the number of consultants that may be selected or contracts that may be awarded.

- Specify procedures in the contracts the local agency will use to award/execute task orders among the consultants:
 - Either through an additional qualification-based selection process, OR
 - On regional basis whereby the region is divided into areas identified in the solicitation, and consultants are selected to provide on-call services for assigned areas only.

DETERMINE METHOD OF PAYMENT

The method of payment of contract must be specified. Four methods are permitted depending on the scope of services to be performed:

- Actual Cost-Plus-Fixed Fee (see Exhibit 10-H, Example #1);
- Cost Per Unit of Work (see Exhibit 10-H, Example #3);
- Specific Rates of Compensation (see Exhibit 10-H, Example #2);
- Lump Sum (see Exhibit 10-H, Example #1).

ACTUAL COST-PLUS-FIXED FEE

The consultant is reimbursed for actual costs incurred and receives an additional predetermined amount as a fixed fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The determination of the amount of the fixed fee shall take into account the size, complexity, duration, and degree of risk involved in the work. The fixed fee is not adjustable during the life of the contract. The fixed fee dollar amount must be clearly stated in the contract.

This method of payment is appropriate when the extent, scope, complexity, character, or duration of work cannot be precisely predicted. Fixed fees apply to the total direct and indirect costs. The contract shall specify a reasonable maximum length of contract period and a maximum total contract dollar amount. (See Exhibit 10-H “Sample Cost Proposal – Example #1” form and Exhibit 10-E *Sample Payment Clauses* form in this chapter.) The contract cost proposal must identify all key employees and/or classifications to be billed. New key employees and/or classifications must be approved before they incur work on the contract or the costs can be questioned or disallowed.

COST PER UNIT OF WORK

The consultant is paid based on specific item of work performed. The item of work must be similar, repetitious and measurable, such as geotechnical investigation and material testing. This method of payment is appropriate when the cost per unit of work can be determined with reasonable accuracy in advance; but the extent or quantity of the work is indefinite. Contract payment provisions must specify what is included in the price to be paid for each item. Any item of work not identified in the contract cost proposal is not eligible for reimbursement. New items of work must be amended into the contract before work is performed. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see Exhibit 10-H, Example #3).

SPECIFIED RATES OF COMPENSATION

The consultant is paid at an agreed and supported specific fixed hourly, daily, weekly or monthly rate, for each class of employee engaged directly in the work. Such rates of pay include the consultant’s estimated costs and net fee (profit). Federal regulations require that profit be separately negotiated from contract costs. The specific rates of compensation, except for an individual acting as a sole proprietor, are to include an

hourly breakdown, direct salary costs, fringe benefits, indirect costs, and net fee. Other direct costs may be included, such as travel and equipment rentals, if not already captured in the indirect cost rate.

This method of payment should only be used when it is not possible at the time of procurement to estimate the extent or the duration of the work, or to estimate costs with any reasonable degree of accuracy. This method is recommended for on-call contracts for specialized or support type services, such as construction engineering and inspection, where the consultant is not in direct control of the number of hours worked, and it also requires management and monitoring of consultant's level of effort and the classification of employees used to perform the contracted work. The contract shall also specify a reasonable maximum length of contract period and a maximum total contract dollar amount (see Exhibit 10-H, Example #2).

LUMP SUM OR FIRM FIXED PRICE

The consultant performs the services stated in the contract for an agreed amount as compensation, including a net fee or profit. This method of payment is appropriate only if the extent, scope, complexity, character, duration, and risk of the work have been sufficiently defined to permit fair compensation to be determined and evaluated by all parties during negotiations (see Exhibit 10-H, Example #1).

Normally, a lump sum contract will be paid in full at end of the contract when completed. However, a lump sum contract can be negotiated with progress payment if feasible. The progress payment shall be based on percent of work complete or completion of clearly defined "milestones". The contract cost proposal shall document the agreed upon progress payment and include the necessary milestones costs, or the percent work complete schedule.

10.3 A&E CONSULTANT AUDIT AND REVIEW PROCESS

This section outlines the audit and review process for state or federally funded A&E contracts. All proposed A&E contracts and supporting documents are subject to audit or review by Caltrans' Audits and Investigations (A&I), other state audit organizations, or the federal government. Not all proposed contracts will be audited or reviewed; rather, they will be selected on a risk-based approach. Figure 2, near the end of this section, shows an overview of the audit and review process.

APPLICABLE STANDARDS

State and federal requirements listed below, as well as specific contract requirements, serve as the standards for audits and reviews performed. The local agencies, consultants, and subconsultants are responsible for complying with state, federal and specific contract requirements. Local agencies are responsible for determining the eligibility of costs to be reimbursed to consultants. Applicable standards are:

- Caltrans' Local Assistance Procedures Manual (LAPM);
- Project Program Supplemental Agreements;
- 23 CFR, Chapter 1, Part 172 – *Administration of Engineering and Design Related Service Contracts*;
- 48 CFR, *Federal Acquisitions Regulation Systems*, Chapter 1 – *Federal Acquisition Regulation*, Part 31- *Contract Cost Principles and Procedures*;
- 48 CFR –FAR;
- 48 CFR, Chapter 99 – *Cost Accounting Standards*, Subpart 9900;

- 49 CFR, Transportation, Subtitle A, Office of the Secretary of Transportation, Volume 1, Part 18, *Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Government*;
- 49 CFR, Part 18.20 – *Standards for Financial Management Systems*;
- 23 U.S.C. – *Letting of Contracts*;
- United States Government Accountability Office, *Government Auditing Standards* (GAS);
- Proposed contract terms and conditions.

See section 10.10 of this Chapter for links to above referenced standards.

AUDIT GUIDANCE AVAILABLE

The American Association of State Highway Officials, Uniform Audit & Accounting Guide ([AASHTO Audit Guide](#)), which is referred to frequently in this section, is an invaluable tool to guide local agencies, consultants and certified public accountants (CPAs) through the requirements for establishing, and audits of, FAR compliant indirect cost rates (ICRs). The [AASHTO Audit Guide](#) is used extensively as an industry guide in the audit and review process.

The local agency may seek financial and accounting assistance from its own internal audit staff.

The consultant may also seek professional guidance in selecting its independent CPA. See also the [AASHTO Audit Guide](#), Ch 2.5 C. *Selection of CPA Firm as Overhead Auditor* for guidance in the selection process.

Training is also offered by FHWA's National Highway Institute (See <http://www.nhi.fhwa.dot.gov/default.aspx>). Courses offered include:

- Using the AASHTO Audit Guide for the Procurement and Administration of A&E Contracts (FHWA-NHI-231028)
- Using the AASHTO Audit Guide for the Development of A&E Consultant Indirect Cost Rates (FHWA-NHI-231029)
- Using the AASHTO Audit Guide for the Auditing and Oversight of A&E Consultant Indirect Cost Rates (FHWA-NHI-231030)

CONTRACTS AND CONSULTANTS SELECTED FOR AUDIT OR REVIEW

Whether a proposed contract or consultant is selected for audit or review through A&I's risk-based approach is dictated by the dollar thresholds of the proposed contract, and other risk factors listed below.

Dollar thresholds for audits or reviews are stratified as follows:

- Less than \$150K – no audit or review is required, but is optional;
- Between \$150K and \$1M (Case 1);
- Between \$1M and \$3.5M (Case 2);
- \$3.5M and above (Case 3).

Specifics of Cases 1, 2 and 3 are outlined later in this section.

Risk factors considered include the consultant's:

- History of satisfactory performance;
- Prior FAR compliant history and audit frequency;
- Financial stability;

- Conformance to terms and conditions of previous contracts;
- General responsiveness and responsibility;
- The approximate dollar amount of all A&E contracts awarded to the consultant by Caltrans or a local agency in California within the last three calendar years;
- The number of states in which the consultant does business;
- The type and complexity of the consultant's accounting system;
- The relevant professional experience of any CPA performing audits of the consultant's indirect cost rate (ICR);
- Responses to internal control questionnaire (ICQ), see [AASHTO Audit Guide, Appendix B](#);
- Changes in the organizational structure.

If audited or reviewed, contracts, cost proposals, and ICR(s) shall be modified to conform to audit and review recommendations. Local agencies are responsible for ensuring contracts, cost proposals, and ICR(s) are modified to conform to audit and review recommendations, and to ensure that audit findings are resolved in a timely manner.

The local agency will be subject to the sanctions outlined in LAPM, Chapter 20, *Deficiencies and Sanctions*, if the state or federal government determines that any reimbursements to the consultant are the result of the lack of proper contract provisions, unallowable charges, unsupported activities, or an inadequate financial management system.

SUBCONSULTANT IMPACTS

Subconsultants are required to follow all the federal, state, and contract requirements outlined above in *Standards that Apply*. In addition, all subconsultants are required to:

- Certify their contract costs and financial management system (Exhibit 10-K) when the total contract between the prime consultant and the local agency is \$150K or more. (23 U.S.C. 112(b)(2)(B)). Reminder: The contract is between the local agency and the prime consultant. Subconsultants, as parties to the contract, must also adhere to this requirement.
- Use the accrual basis of accounting when developing their ICRs.
- Have a job costing system.

Subconsultants' cost proposals also must be submitted along with the prime consultants' cost proposals through the request for audit process (see Exhibit 10-A *A&E Consultant Audit Request Letter and Checklist*) when the total (prime plus subs) proposed contract is \$1M or more.

COGNIZANT LETTERS OF APPROVAL

“Cognizant” audits and reviews have been developed to assign primary responsibility for an ICR audit to a single entity (the “cognizant agency”) to avoid duplication of audit work performed in accordance with Government Auditing Standards. The objective of these audits and reviews is to obtain reasonable assurance that claimed costs are in accordance with the FAR cost principles. A cognizant agency may be the home state Department of Transportation (DOT) (the state where the consultant's financial records are located), a federal agency, or a non-home state DOT to whom the home state has transferred cognizance. When providing cognizant ICR approval the cognizant agency may either perform an ICR audit themselves, or they may review and rely on the work/workpapers related to an ICR audit performed by a CPA. The desired outcome of a cognizant audit or CPA workpaper review is for the “cognizant agency” to issue a

Cognizant Letter of Approval so that the ICR can be relied upon on future contracts with the consultant for a given year, and for reliance by other state agencies using the same consultant.

A&I will accept a consultant's cognizant approved ICR for the applicable one-year accounting period, if rates are not under dispute. The consultant is responsible for providing documentation of its cognizant approved ICR and Cognizant Letter of Approval.

MOST COMMON AUDITS AND REVIEWS TO BE PERFORMED

INDIRECT COST RATE (ICR) AUDITS

During an ICR audit, the auditors (A&I or independent CPAs) will examine the consultant's proposed ICR for the applicable one-year accounting period on the proposed contract to ensure that unallowable costs have been removed from the overhead, that allowable costs have been correctly measured and properly allocated, and that the ICR has been developed in accordance with the FAR cost principles (as specified in 23 U.S.C. 112(b)(2)(B), 23 CFR 172.7(a), and 48 CFR Part 31). As a result of the audit, the local agency will work with the consultant to adjust the ICR where disallowed costs are identified based on audit recommendations.

ICR Audits apply to Case 1 and Case 2 contracts (see Case descriptions below) selected for audit. Cognizant Letters of Approval are issued with ICR Audits.

For guidance regarding the existing policies and procedures set forth in the Federal Regulations, and acceptable samples of ICR schedules, refer to the AASHTO Audit Guide, Chapter 5.

The review program in the AASHTO Uniform Audit Guide, Appendix A, should be used as a guide in performing ICR audits. This review program will be used for reviews of CPA audited ICR workpapers.

IMPORTANT NOTE FOR CPAs: Contracts receiving state or federal funds are highly scrutinized. Materiality levels tend to be lower and more testing required. Strict use of the AASHTO Audit Guide cannot be stressed enough.

CPA AUDITED ICR WORKPAPER REVIEWS

During a CPA Audited ICR Workpaper Review, A&I will review the CPA's workpapers of its ICR audit to determine whether it is appropriate to issue a Cognizant Letter of Approval. The workpaper review is conducted to determine whether: (a) the CPA's audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS), (b) the CPA adequately considered the auditee's compliance with FAR Part 31 and related laws and regulations, and (c) the audit report format is acceptable. Chapter 11 of the AASHTO Audit Guide includes a recommended format for the audit report and required disclosures.

CPA Audited ICR Workpaper Reviews apply to Case 3 contracts (see Case descriptions below) selected for review. Cognizant Letters of Approval are issued with CPA workpaper reviews.

The review program in the AASHTO Uniform Audit Guide, Appendix A, will be used as a guide in performing CPA workpaper reviews.

IMPORTANT NOTE FOR CPAs: Contracts receiving state or federal funds are highly scrutinized. Materiality levels tend to be lower and more testing required. Strict use of the AASHTO Audit Guide cannot be stressed enough.

OTHER AUDITS AND REVIEWS THAT MAY BE PERFORMED

CONTRACT AUDITS

During a Contract Audit, auditors will review contracts and the consultants' financial management system to determine if:

- The consultants' accounting system is adequate to accumulate and segregate costs;
- Proposed costs are reasonable;
- The contract contains all necessary fiscal provisions.

RISK ASSESSMENTS

During a Risk Assessment auditors may require an ICQ and certification of the ICRs and may perform a certain level of analytical reviews of the ICRs. They may review the contract provisions, ICQ, ICR, and/or cost proposal(s) to determine if:

- The required fiscal provisions are in the proposed contract;
- The ICR and/or cost proposal(s) are mathematically accurate and in the proper format;
- The ICR and/or cost proposal(s) contain questionable costs.

INCURRED COST AUDITS

During an Incurred Cost Audit auditors will review contracts after project completion to determine if costs claimed are:

- Adequately supported;
- Reasonable in nature;
- Allowable, allocable, and reasonable;
- In compliance with state and federal laws and regulations;
- In compliance with the fiscal provisions stipulated in the contract.

FINANCIAL MANAGEMENT SYSTEM REVIEW

During a Financial Management System Review auditors will determine whether:

- The accrual basis of accounting was used to prepare the ICR;
- There is a job cost accounting system adequate to accumulate and segregate allocable and allowable project costs;
- The consultant complied with 49 CFR, Part 18.20, Standards for Financial Management Systems.

CASE 1: PROPOSED A&E CONSULTANT CONTRACTS OF \$150,000 OR MORE

CONSULTANTS:

Prime consultants with proposed contracts of \$150,000 or more, and any subconsultants listed on the contract, must certify the accuracy of their contract costs and adequacy of their financial management systems (See Exhibit 10-K *Consultant Certification of Contract Costs and Financial Management System*). The certification is to be submitted to the local agency who in turn will forward a copy to A&I.

Components include certification that:

- All costs included in the proposed contract to establish final ICR are allowable in accordance with the cost principle of the FAR, 48 CFR, Part 31.
- The proposed contract does not include any costs which are expressly unallowable under the cost principles of the FAR, 48 CFR, Part 31.
- All known material transactions or events that have occurred affecting the firm's ownership, organization, and ICRs have been disclosed.
- The consultant's financial management system meets the standards for financial reporting, accounting records, internal and budget controls set forth in the FAR 49 CFR, Part 18.20.
- The consultant has provided the approximate dollar amount of all A&E contracts awarded by Caltrans or a California local agency to the consultant within the last three calendar years, and for all state DOT and local agency contracts, and the number of states in which the firm does business.
- All direct costs included in the proposed contract are reasonable, allowable, and allocable in accordance with FAR 48 CFR, Part 31, in compliance with applicable accounting principles, and in compliance with the terms of the proposed contract.

Consultants must also ensure their ICRs are prepared in the acceptable ICR scheduled format, see AASHTO Guide, Chapter 5 tables.

LOCAL AGENCIES:

Local agencies are to forward copies of the consultant and subconsultant, if any, certification (Exhibit 10-K *Consultant Certification of Contract Costs and Financial Management System*) to A&I. All supporting documentation, including Exhibit 10-L *Local Agency Certification of Cost Analysis*, must be retained in the project files for the required retention period in the event an audit or review is performed.

Case 1 consultants and contracts may be selected for audit or review through a risk based approach described earlier in this section. Potential audits or reviews can be, but are not limited to:

- Contract Audits;
- Incurred Cost Audits;
- Financial Management System Review;
- ICR Audits;
- Risk Assessments.

CASE 2: PROPOSED A&E CONSULTANT CONTRACTS OF \$1 M OR MORE

Local agencies and consultants with proposed contracts between \$1M and \$3.5M must comply with all the requirements outlined in Case 1 above.

In addition, local agencies must send copies of the proposed contract and additional supporting documentation to A&I for review in conformance with requirements outlined in the LAPM. Once the proposed contract and additional supporting documentation are reviewed, A&I will issue a Conformance Letter noting any deficiencies, if any. A&I will issue the Conformance Letter within 30 business days of receipt of a **complete** packet.

A complete packet consists of the documents listed below. Local agencies are required to provide these documents to A&I (see Exhibit 10-A *A&E Consultant Audit Request Letter and Checklist*):

1. Proposed contract between the local agency and consultant;

2. Cost proposal(s) for prime consultant and all subconsultants;
3. Names, mailing addresses, phone numbers and email addresses for prime consultant and subconsultants;
4. Name of local agency contact person, phone number, mailing addresses and email addresses;
5. Consultant generated ICR schedule prepared in accordance with applicable CFRs;
6. A completed ICQ (see AASHTO Audit Guide, Appendix B);
7. Exhibit 10-K *Certification of Contract Costs and Financial Management System* for the prime and all subconsultants.

And one of the following, **if available**:

- A copy of the prior fiscal year, and most recently completed fiscal year cognizant approved ICR and approved state DOT Cognizant Letter of Approval;
- A copy of the prior fiscal year, and most recently completed fiscal year, ICR Schedules and audited report by an independent CPA. If a CPA audited ICR is available for the appropriate fiscal year (applicable one-year accounting period), then the consultant must use the audited ICR, or a lower ICR (*see 23 CFR 172.7(b) for guidelines*);
- A copy of the prior, and most recently completed fiscal year, ICR(s) evaluation or audit report on a prior Caltrans or local agency contract, and any other governmental agency report/review/attestation.

Through A&I's risk-based approach, consultants may be selected for an ICR Audit. If an ICR Audit is performed and the consultant's ICR is in compliance with the FAR principles, a Cognizant Letter of Approval will be issued.

CASE 3: PROPOSED A&E CONSULTANT CONTRACTS OF \$3.5 M OR MORE

Local agencies and consultants with proposed contracts of \$3.5 million or more must comply with all the requirements in Case 1 and 2 above. Also, consultants must provide the following to the local agency:

- A state DOT's approved ICR schedule **and** the Cognizant Letter of Approval;
OR
- CPA Audited ICR Audit Report; **And**
- A copy of the CPA audited financial statements, if any.

Through A&I's risk-based approach, CPA Audited ICR Workpaper Reviews may be selected. If a review is performed and the CPA's work is in compliance with the FAR principles, a Cognizant Letter of Approval will be issued.

REQUIREMENTS FOR A CONFORMANCE LETTER

The cost proposal(s) must be presented in the applicable format for the method of payment for the prime consultant and all subconsultants in the proposed contract (see Determine Method of Payment in Section 10.2 and Exhibit 10-H for the example formats). Cost proposals must contain a breakdown of all cost components outlined in the appropriate cost proposal format. A completed ICQ (see [AASHTO Audit Guide, Appendix B](#)) must be completed by the consultant if the contract is \$1M or more.

Consultants and subconsultants must use the accrual basis of accounting to prepare ICR(s), and must have an adequate financial management system (job cost accounting system).

The required fiscal provisions specified below must be included in the proposed contract (see Exhibit 10-R for provisional language and requirements):

1. Performance Period, begin and end date (Article IV);
2. Allowable Costs and Payments (Article V);
3. Termination (Article VI);
4. Cost Principles and Administrative Requirements (Article X);
5. Retention of Records/Audit (Article XII);
6. Audit Review Procedures, AUDIT CLAUSE (Article XIV. D.);
7. Subcontracting (Article XV);
8. Equipment Purchase (Article XVI);
9. State Prevailing Wage Rates (Article XXVII);
10. Conflict of Interest (Article XXVIII);
11. Rebates, Kickbacks or other Unlawful Consideration (Article XXIX);
12. Prohibition of Expending State or Federal Funds for Lobbying (Article XXX).

Contracts cannot be executed until the Conformance Letter is issued and noted deficiencies, if any, are corrected. Corrected deficiencies, however, do NOT need to be cleared through A&I before executing the contract.

Once executed, the local agency shall forward a copy of the executed contract to A&I for possible future audit or review at:

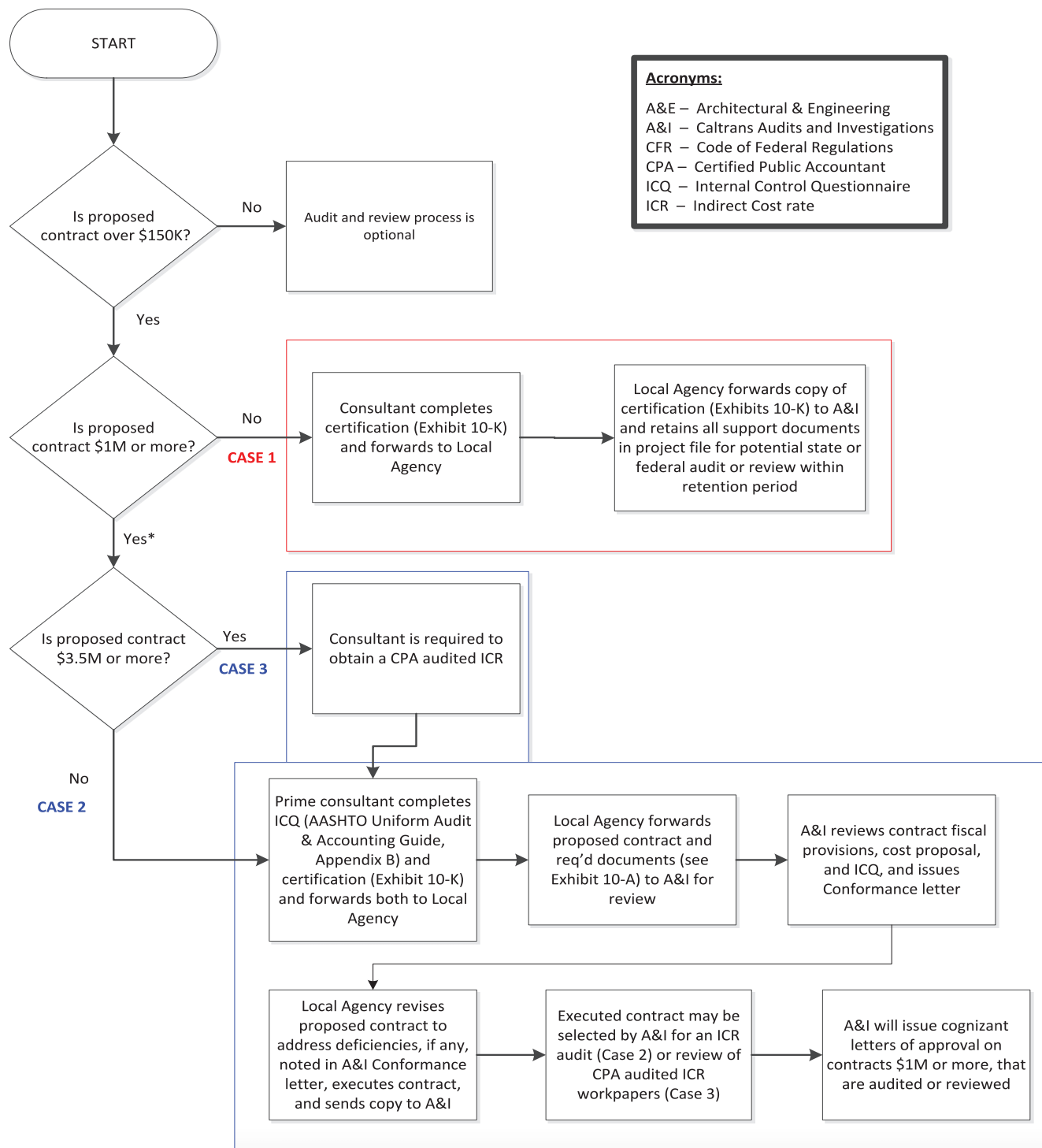
*Department of Transportation
Audits and Investigations, MS 2
Attention: External Audit Manager
P.O. Box 942874
Sacramento, CA 94274-0001*

Any deficient or missing supporting documentation noted in the Conformance Letter must also be forwarded to A&I.

SUMMARY OF CONTRACTS TO BE AUDITED OR REVIEWED

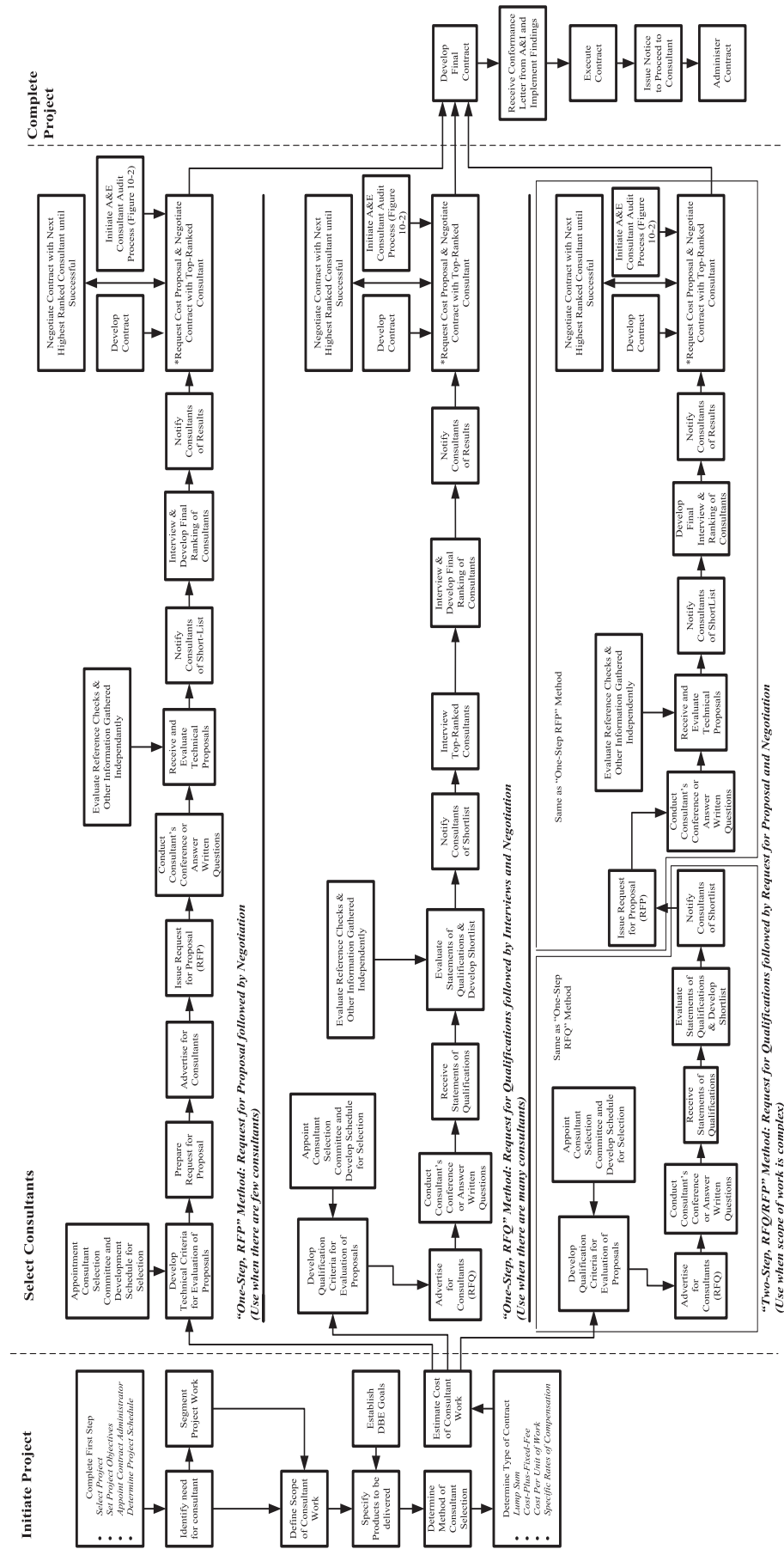
<i>Proposed Contract Amount</i>	<i>Documents Required</i>	<i>Confor mance Letter Requir ed?</i>	<i>Audit/Review Performed?</i>	<i>If Audited or Reviewed will Cognizant Letter of Approval be Issued?</i>
Small Purchase Procedure Less than \$150K	None	No	Audit/review optional	N/A
Case 1. Between \$150K and \$1M	Certification by Consultants (Exhibit 10-K)	No	May be selected for Audit or Review.	If Indirect Cost Rate (ICR) Audit is performed.
Case 2. Between \$1M and \$3.5M	Proposed contract, certifications, Internal Control Questionnaire, etc. (see Exhibit 10-A.)	Yes	May be selected for ICR Audit.	Yes
Case 3. \$3.5M or greater	Proposed contract, certifications, Internal Control Questionnaire, etc. AND CPA Audited ICR. (see Exhibit 10-A.)	Yes	May be selected for Review of CPA's workpapers of audited ICR	Yes

FIGURE 10-2 A&E CONSULTANT AUDIT AND REVIEW PROCESS



* Note: For A&E consultant contracts of \$1M or more, local agency may begin, but not conclude cost negotiations with the best qualified firm until a Conformance Letter is received from A&I.

FIGURE 10-3 CONSULTANT SELECTION FLOWCHART



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10.4 CONSULTANT SELECTION METHODS

Figure 10-3 “Consultant Selection Flowchart” shows the three methods normally used in selecting a consultant. They are:

- One-Step RFP;
- One-Step RFQ;
- Two-Step RFQ/RFP.

The method used depends upon the scope of work, the services required, the project’s complexity, and the time available for selection of the consultant.

In addition, there are other methods used in special situations such as noncompetitive procurement and small purchases under \$150,000.

Beginning with Section 10.4 “Consultant Selection Using the One-Step RFP Method,” each of the selection methods is explained in detail. Regardless of the method used, the local agency shall retain all consultant selection documentation in their project files (as required by 49 CFR 18.36(b)(9)).

ONE-STEP RFP

The One-Step RFP method may be used when the scope of the project is well defined. Other considerations include when the consultant’s services is highly specialized and there are few qualified consultants. This method is also used when a local agency has a modest number of projects per year, and the expected number of proposals is small—generally, less than ten.

ONE-STEP RFQ

The most common selection process is the One-Step RFQ method. It is used when typical services (such as preparation of Plans Specifications and Estimate (PS&E), environmental documents, or construction management services) are required, and there are many consultants. The One-Step RFQ method is also used when a local agency produces many projects, and there are numerous consultants who wish to participate. Either this process or the two step selection process is used for preparing an “on-call” list for the local agency.

TWO-STEP (RFQ FOLLOWED BY RFP)

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

10.5 CONSULTANT SELECTION USING THE ONE-STEP RFP METHOD

Of the three methods discussed, this one is most easily modified for non-A&E consulting contracts. For non-A&E consulting contracts, a cost proposal may be part of the RFP and the selection criteria. For A&E contracts, the cost proposal is not requested until the consultants have been final ranked based upon their submitted technical proposal.

APPOINT CONSULTANT SELECTION COMMITTEE

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews materials submitted by consultants, develops a shortlist of qualified consultants, and develops a final ranking of the most qualified proposals. Representation on the committee includes the Contract Administrator and a representative from the project's functional area. The members should be familiar with the project/segment to be contracted out and with the local agency standards that will be used in the contract. Participation by a Caltrans district representative is at the option of the agency and subject to availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the local agency of its responsibility to ensure that proper procurement procedures are followed and all requirements are met.

DEVELOP TECHNICAL CRITERIA FOR EVALUATION OF PROPOSALS

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

The criteria and relative weights must be included in the RFP, and the same criteria and relative weights must be used in the evaluation sheets. Failure to include criteria and relative weights and to use the same criteria and weights during the evaluation will result in the contract costs being ineligible for federal or state reimbursement. Exhibit 10-B *Suggested Consultant Evaluation Sheet* is a recommended evaluation sheet with criteria and rating points for A&E consultants, where cost is not used as a rating factor. This format is not mandatory, but it is recommended in the interest of developing consistency among the hundreds of agencies and consultants operating in the state. The local agency should consult with the DLAE before making major changes to the suggested approach.

DEVELOP SCHEDULE FOR CONSULTANT SELECTION

Before the contract is advertised, the Contract Administrator completes a contract schedule including key dates for consultant selection activities. The Contract Administrator should confirm key dates with all selection committee members before completing the schedule.

PREPARE RFP

The information required in a RFP includes the following:

- Description of project;
- Scope of work;
- Schedule of work (including estimated start and end dates);
- Proposal format;
- Method, criteria and weighting for selection;
- A DBE contract goal is specified (see Exhibit 10-I *Notice to Proposers DBE Information*), if a federal-aid contract;
- Protest procedures and dispute resolution process per 49 CFR 18.36(b)(12).

The RFP specifies the content of a proposal, the number of copies required, due date, mailing address, and a physical address where the submittals may be hand delivered if different from the mailing address. Two to four weeks is usually allowed between the time the RFP is mailed and time that proposals must be submitted. More time may be required for complex contracts or projects.

Items typically required in a technical proposal include:

- Work plan (specify what is to be covered);

- Organizational chart;
- Schedule and deadlines;
- Staffing plan;
- Proposed Team—complete for prime consultant and all key subconsultants;
- Key personnel names and classifications—key team members identified in the original proposal/cost proposal shall not change (be different than) in the executed contract;
- Staff resumes;
- Names of consultant's project manager and the individual authorized to negotiate the contract on behalf of the consulting firm;
- References.

FINANCIAL MANAGEMENT AND ACCOUNTING SYSTEM REQUIREMENTS

The local agency must ensure that consultant contract solicitation and advertising documents (RFQs) clearly specify that contracts shall not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR Part 16.301-3, 49 CFR Part 18, and 48 CFR Part 31.

ADVERTISE FOR CONSULTANTS

The local agency advertises the availability of the RFP in a major newspaper of general circulation or technical publication of widespread circulation. The local agency shall send the RFPs to organizations qualified to do the specified work, as well as professional societies, and recognized DBE organizations (if federal-aid funds are being used). In some cases, it may be desirable to advertise nationwide for a particular project or service. Placing an RFP on the local agencies web site is not considered adequate advertising.

ISSUE RFP

The local agency shall issue the RFP to all consultants responding to the advertisement and keep a record of all consultants that received an RFP to ensure that any inquiry responses, addendums, or amendments to the RFP are given to all consultants that received the RFP.

CONDUCT PROPOSER'S 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 proposer's conference, or by doing both. The local agency must mail their responses to any written questions to all consultants receiving the RFP. No response should be given to verbal questions. It is important that all competing consultants receive the same information. If a proposer's conference is to be held, the exact time and place must be specified in the RFP. Attendance at a proposer's conference normally is not mandatory. However, consultants not attending the conference do not receive notes from the meeting unless they request the notes.

RECEIVE AND EVALUATE TECHNICAL PROPOSALS

The Contract Administrator must verify that each proposal contains all of the forms and other information required by the RFP. If all required information is not provided, a proposal may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, or submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed. Documentation of when each proposal was received

must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

The members of the consultant selection committee must evaluate each proposal in terms of the technical criteria listed in the RFP. The committee must also evaluate reference checks and other information gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks or other information may be discussed with the highest ranked qualified consultants at the interviews.

DEVELOP FINAL RANKING AND NOTIFY CONSULTANTS OF RESULTS

The selection committee discusses and documents the strengths and weaknesses of each proposal; interviews the three or more highest ranked consultants; and develops a final ranking of the highest ranked consultants. All consultants that submitted proposals must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not the highest ranked. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not being selected must be objective reasons. The consultant should not be compared to others, and should not be provided with information about other consultants during this debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

Since the technical proposal normally contains information about the method(s) a consultant will use for the work and potential problems and solutions for a specific project or segment; this method of consultant selection should not be used to establish a list of qualified consultants (pre-qualified list).

NEGOTIATE CONTRACT WITH TOP-RANKED CONSULTANT

The top-ranked consultant is requested to submit a sealed cost proposal. Alternatively, if time is of the essence and it can be justified; sealed cost proposals may be requested from all of the consultants on the shortlist. The cost proposal for the most qualified consultant will be opened and used to begin negotiations. If agreement cannot be reached, then negotiations proceeds to the next most qualified consultant. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. The goal of negotiations is to agree on a final contract that delivers the services, or products required at a fair and reasonable cost to the local agency.

The independent cost estimate, developed by the local agency in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations or terminating unsuccessful negotiations with the most qualified consultant. It can be revised, if needed, for use in negotiations with the next most qualified consultant.

An audit may be required (see Section 10.3 *A&E Consultant Audit and Review Process* in this chapter). Negotiations may be completed after receipt of the Caltrans A&I Conformance Letter. An indirect cost audit may be performed within the record retention period of the contract.

Items typically negotiated include:

- Work plan;
- Schedule and deadlines (including contract begin and end dates);

- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments, and fees.

The consultant's ICR is not a negotiable item. A lower rate cannot be negotiated by the local agency.

For federal-aid consultant contracts, see Chapter 9, "Civil Rights and Disadvantaged Business Enterprises," of the LAPM and Exhibit 10-I *Notice to Proposers DBE Information* in this chapter.

Before executing the consultant contract, the local agency must make a review to ensure that all federal and state requirements have been met (see Exhibit 10-C *Consultant Contract Reviewers Checklist*). The completed checklist is to be signed by the Contract Administrator and the original retained in the project file, one copy is to be sent to the DLAE (for review of completeness) and filing within 30 days after awarding the contract.

10.6 CONSULTANT SELECTION USING THE ONE-STEP RFQ METHOD

APPOINT CONSULTANT SELECTION COMMITTEE

A consultant selection committee with a minimum of three members is appointed at the beginning of the consultant selection process. The committee reviews and scores the materials submitted by consultants in response to the RFQ, develops a shortlist of qualified consultants, interviews those consultants, and develops a final ranking of the most qualified consultants. Representation on the committee includes the Contract Administrator and a representative from the project's functional area. The members should be familiar with the project/segment to be contracted out and with the local agency standards that will be used in the contract. Participation by a Caltrans district representative is at the option of the local agency and subject to the availability of the DLAE staff. Caltrans participation on the interview panel does not relieve the local agency of its responsibility to ensure that proper procurement procedures are followed and all requirements are met.

DEVELOP SCHEDULE FOR CONSULTANT SELECTION

Before a contract is advertised, the Contract Administrator completes a contract schedule including key dates for consultant selection activities. The Contract Administrator should confirm target dates with all selection committee members before completing the schedule.

PREPARE RFQ

As a minimum, the RFQ generally includes the following:

- General description of the project(s);
- Scope of work;
- Schedule of work (including contract begin and end dates);
- Request for Statement of Qualifications (SOQ);
- Proposal format to be submitted;
- Method and criteria for selection;
- DBE Requirements.

The RFQ should state that the following items are required in the SOQ:

- Qualifications of key personnel proposed for the contract. Key team members identified in the original proposal/cost proposal shall not change (be different than) in the executed contract;
- Related projects that key personnel have worked on;
- Qualifications/experience of the firm;
- Organizational chart;
- References.

FINANCIAL MANAGEMENT AND ACCOUNTING SYSTEM REQUIREMENTS

The local agency must ensure that Consultant contract solicitation and advertising documents (RFQs) clearly specify that contracts shall not be awarded to a consultant without an adequate financial management and accounting system as required by 48 CFR Part 16.301-3, 49 CFR Part 18, and 48 CFR Part 31.

ADVERTISE FOR CONSULTANTS

Advertisements may take one of two approaches. The most common is advertisement or publication of the RFQ in a major newspaper of general circulation, or technical publication of widespread circulation. Placing an RFP on the local agencies web site is not considered adequate advertising. The RFQ must contain sufficient project work information, so that interested consultants can submit an appropriate SOQ.

In the second approach, the local agency advertises the availability of the RFQ in a major newspaper of general circulation or technical publication of widespread circulation, and request interested consultants to send for the RFQ. The RFQs shall be sent to professional societies and, if a federal-aid project, to recognized DBE organizations. In some cases, it may be desirable to advertise nationwide for a particular project or service.

The RFQ also specifies the content of a proposal, number of copies required, due date and time, mailing address, and physical address where the submittals may be hand delivered, if different from the mailing address. Two to four weeks is usually allowed between the time the RFQ is mailed, and time that proposals must be submitted. More time may be required for complex contracts or projects.

RECEIVE/EVALUATE STATEMENTS OF QUALIFICATIONS AND DEVELOP SHORTLIST

The first step in the evaluation process is to determine that each proposal contains all forms and other information required by the RFQ. Otherwise, the submittals may be considered nonresponsive and rejected without evaluation. Late submittals, submittals to the wrong location, and submittals with inadequate copies are considered nonresponsive and shall be rejected. Submittal of additional information after the due date shall not be allowed. Documentation of when each proposal was received must be maintained in the project files. Copies of date stamped envelope covers or box tops are recommended.

The consultant selection committee reviews the submitted SOQ according to the published evaluation criteria and weighting factors. The committee makes an independent random check of one or more of the consultant's references. This check applies to major subconsultants also. The committee establishes a shortlist of consultants who are considered to be best qualified to perform the contract work. The shortlist includes enough qualified consultants to ensure that at least three consultants are interviewed.

NOTIFY CONSULTANTS OF SHORTLIST

All consultants that submitted an SOQ must be notified of the results of the review. The notification also identifies those consultants that will be requested to attend interviews.

Most consultants will request information as to why they were not placed on the shortlist. Therefore, the selection committee should keep notes why a particular consultant was not selected for the shortlist. When a consultant requests a debriefing, the reasons given for not being selected must be objective reasons. Consultants should not be compared with each other during the debriefing. Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

INTERVIEW TOP-RANKED CONSULTANTS

Each consultant to be interviewed is given a copy of the draft of the proposed contract, defining the detailed project requirements and other information. This should be sent with the initial notification of the interview.

Between the time of the notification of the shortlist and interviews, the local agency may answer any questions concerning the project segment to be contracted out, if not done earlier during the solicitation. In addition, the local agency may conduct additional reference checks for each consultant to be interviewed. Consultants should submit their questions about the RFQ and receive their answers from the local agency in writing. It is important that all consultants on the shortlist receive the questions and answers and are given the same information.

The committee should evaluate reference checks and other information that is gathered independently. Reference checks shall be completed and other information gathered before the interviews are conducted. If necessary, the results of the reference checks and other information may be discussed with the consultant at the interview.

Interviews are to be structured and conducted in a formal manner. Each consultant shall be allowed the opportunity to make a presentation if desired; however, a time limit should be specified. Interview questions are prepared in advance.

Two types of questions may be asked:

- Questions that are to be asked of all competing consultants, and
- Questions relating to each specific consultant, based upon the reference checks, and the strengths and weaknesses identified during evaluation of the SOQ

The agency can request competing consultants to bring additional information or examples of their work to the interviews; if the additional information facilitates the interview or evaluation process.

Additional information requested should be kept at a minimum, that is, only information required to select the most qualified consultant for the contract. The selection committee or local agency shall not gather additional information concerning the consultants after the interviews are completed.

DEVELOP FINAL RANKING AND NOTIFY CONSULTANTS OF RESULTS

The selection committee discusses and documents the strengths and weaknesses of each SOQ and develops a final ranking of the most qualified consultants. All consultants interviewed must be informed about the final ranking of consultants. It is important that all competing consultants receive the same information.

Most consultants will request information as to why they were not selected as the most qualified. Therefore, the selection committee should keep notes as to why a particular consultant was not selected. When a consultant requests debriefing, the reasons for not

being selected must be objective. Consultants should not be compared with each other or provided with information about other consultants during the debriefing.

Normally, the Contract Administrator does the debriefing; however, any member of the selection committee may be designated to do the debriefing.

CONDUCT SCOPING MEETING

The Contract Administrator meets with the first-ranked consultant's project manager to review the project, and to ensure that the consultant has a complete understanding of the work that is required. The consultant is shown as much material as is available regarding the project. Any technical questions regarding the project are answered for the consultant.

REQUEST COST PROPOSAL

The first-ranked consultant is asked to provide a cost proposal to perform the work described in the draft contract and discussed at the scoping meeting. The work is to be performed according to the conditions described in the draft contract using the payment method described therein. Alternatively, if time is of the essence and it can be justified, sealed cost proposals may be requested from all of the consultants on the shortlist.

If the contract involves more than one project, the consultant must provide a separate cost proposal for each project in addition to a summary cost proposal for the total contract. If the contract involves milestones, the consultant must furnish a separate cost proposal for each milestone with a summary cost proposal for the total costs. If the contract involves subconsultants, the prime consultant must include a separate cost proposal for each subconsultant. Each subconsultant's cost proposal must follow the same format as the prime consultant's cost proposal.

NEGOTIATE CONTRACT WITH TOP-RANKED CONSULTANT

After the top-ranked consultant submits a sealed cost proposal, the local agency reviews the cost proposal and enters into negotiations. The goal of negotiation is to agree on a final contract that delivers to the local agency the services or products required at a fair and reasonable cost. The independent cost estimate, developed by the local agency in advance of requesting a cost proposal from the top-ranked consultant, is an important basis and tool for negotiations.

Negotiations should commence with the most qualified consultant. If agreement on a fair and reasonable price cannot be reached, negotiations should then be formally terminated. Negotiations then proceed to the next most qualified consultant, and so on. Each consultant's cost proposal must remain sealed until negotiations commence with that particular consultant. An audit of the consultant's operations may be required (see Section 10.1 "General," in this chapter). Negotiations may be completed after receipt of the Caltrans A&I Conformance Letter. An indirect cost audit may be performed within the record retention period of the contract.

The items typically negotiated include:

- Work plan;
- Schedule (including contract begin and end dates);
- Products to be delivered;
- Classification, wage rates, and experience level of personnel to be assigned;
- Cost items, payments and fee.

The consultant's indirect cost rate is not a negotiable item. A lower rate cannot be negotiated by the local agency.

10.7 CONSULTANT SELECTION USING THE TWO-STEP RFQ/RFP METHOD

COMBINED RFQ AND RFP

Selecting consultants using the Two-Step RFQ/RFP method requires combining certain steps from each of the other two methods previously described. The consultants are rated based upon both their qualifications and their technical proposals.

The initial steps in this method (up to the development and notification of the shortlist) are the same as the steps followed when using the One-Step RFQ method. At this point, the consultants from the shortlist are issued an RFP. The remaining steps are the same as the later steps followed in the One-Step RFP method. The combination of these steps are indicated in Figure 10-3 *Consultant Selection Flowchart*.

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

Since the technical proposal normally contains information about the method(s) and potential problems and solutions for a specific project or segment, this method of consultant selection should not be used to establish pre-qualified lists.

10.8 COMPLETING THE PROJECT

DEVELOP THE FINAL CONTRACT

The Contract Administrator requests a revised cost proposal from the consultant after: (1) negotiations have been completed, (2) the local agency and consultant have agreed to a fair and reasonable price, and (3) a Conformance Letter is released by Caltrans A&I and identified issues have been resolved. The Contract Administrator should review the revised cost proposal to ensure that all the items and changes discussed during negotiation were included. This revised cost proposal then becomes the final cost proposal, is attached to and made a part of the consultant contract. For informational purposes, sample contract language and format have been included as Exhibit 10-R *A&E Sample Contract Language*.

The Contract Administrator has responsibility to ensure that the final negotiated contract is complete and has verified that all required backup documents have been provided. Copies of the contract are sent to the consultant for signature first.

REVIEW AND APPROVAL OF CONTRACTS

Proposed contracts for consultant services including those for subcontracted work exceeding \$150,000, must be reviewed by the local agency to verify that:

- Compensation is fair and reasonable and includes prevailing wage rates, if applicable;
- Work activities and schedules are consistent with the nature and scope of the project;
- DBE goal is included if there are subcontracting opportunities and available DBE firms

- If applicable, the issues identified in the Conformance Letter have been addressed;
- Contract modification language entitling the local agency to retroactively adjust ICRs within the document retention period has been included in the contract (see [Exhibit 10-R A&E Sample Contract Language](#), Article XXIV, paragraph D).

Exhibit 10-C *Consultant Contract Reviewers Checklist* and Exhibit 10-D *Consultant Contract Outline* must be used to ensure that required documentation has been provided. A cost proposal (see Exhibit 10-H *Sample Cost Proposal*), must include the costs of materials, direct salaries, payroll additions, other direct costs, indirect costs, fees, and backup calculations.

Before approving a contract for consulting services, the Contract Administrator must be satisfied that the consultant's organization:

- Is qualified to perform the services required;
- Is in a position, considering other work commitments, to provide competent and experienced personnel to perform the services in the time allowed;
- Is fully aware of all applicable federal and state laws including implementing regulations, design standards, specifications, previous commitments that must be incorporated into the design of the project, and administrative controls including those of Caltrans and FHWA.

The contract must provide for a defined level of acceptability and a statement to the effect that the consultant may be required to modify its work as necessary; to meet that level of acceptability as defined in the contract. The contract shall provide for local agency reviews at appropriate stages during performance of the work, to determine if any changes or other actions are warranted.

The contract shall also provide that the consultant establish a working office at a place acceptable to the local agency. The contract shall provide that the consultant and subconsultants shall maintain all books, documents, papers, accounting records, and other information pertaining to costs incurred. Such materials must be available for inspection and audit by federal, State, and local agency authorized representatives; and copies thereof shall be furnished, if requested.

Following final settlement of the contract accounts with the FHWA or State, such records and documents may be microfilmed at the option of the local agency, but in any event shall be retained for a three-year period after processing of the final voucher by the FHWA or State.

Contracts with consultants covered by this manual (exceeding \$150,000) must not be approved by the local agency until the certification shown in Exhibit 10-F *Certification of Consultant, Commissions & Fees* is executed and incorporated into the contract. The certification shall be executed by a principal or authorized corporate official of the consultant, and by a principal administrative officer of the governmental agency responsible for the selection of the consultant. It is essential that this certification be preserved in the project files.

RETENTION CLAUSES

At the option of the local agency, a retention clause may be included in the consultant contract. The usual retained amount is five percent; appropriate securities on deposit may be substituted for the retention. A retention clause in the consultant contract is recommended.

REVIEW OF LOCAL AGENCY ACTIONS

Issues identified in the Conformance Letter must be resolved before the local agency executes the contract.

Federal-aid or state reimbursement is contingent on meeting the federal or state requirements and can be withdrawn, if these procedures are not followed and documented. The local agency files are to be maintained in a manner to facilitate future FHWA or Caltrans process reviews and audits.

As specified in Section 10.4, “Consultant Selection,” the Contract Administrator must review the proposed consultant contract before execution. Exhibit 10-C *Consultant Contract Reviewers Checklist* is to be completed and signed. A copy shall be sent to the DLAE within 30 days of contract award. This signed document must be retained in the local agency project files.

EXECUTE CONTRACT AND ISSUE NOTICE TO PROCEED TO CONSULTANT

The Contract Administrator sends the consultant a fully executed copy of the contract with an original signature and issues a notice to proceed. Funds may not be used to reimburse the agency for costs incurred before the “Authorization to Proceed” is issued, or for consultant costs incurred prior to the execution of the consultant contract. Local agency consultant selection and contract execution costs may be reimbursable.

ADMINISTER THE CONTRACT

Project work begins as specified in the contract 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 help to ensure that contractual obligations are completed satisfactorily. Generally, these activities include:

- Monitoring project progress and compliance with contract requirements;
- Receiving, reviewing and assessing reports, plans and other required products;
- Receiving and reviewing state prevailing wages. See Caltrans “*Consultant Guidelines for Prevailing Wage and Labor Compliance on Architectural and Engineering (A&E) Contracts*” at:
http://www.dot.ca.gov/hq/construc/A&E_Guidelines/A&EGuidelines.pdf;
- Reviewing invoices to ensure costs claimed are in accordance to the method of payment and contract cost proposal, approving payments;
- Record keeping and reporting;
- Controlling costs;
- Identifying changes to the scope of work and preparation of amendments;
- Completing performance evaluations.

SUBSTITUTION OF CONSULTANT PERSONNEL AND SUBCONSULTANTS

After contract execution the consultant should not substitute key personnel (project manager and others listed by name in the cost proposal) or subconsultants without prior written approval from the local agency. To do so can result in the costs being ineligible for federal or state reimbursement. The consultant must request and justify the need for the substitution and obtain approval from the local agency prior to use of a different

subconsultant on the contract. The proposed substituted person must be as qualified as the original, and at the same or lower cost.

For engineering types of consultant contracts, the consultant's project manager must be a registered engineer in the State of California.

INVOICING (OR PROGRESS PAYMENTS)

The frequency and format of the invoices/progress payments are to be determined by the contract. Program Supplement Agreements (see LAPM Chapter 3 – Agreements) need to have been prepared prior to any payments being requested. Payments to the consultant are to be in arrears. In other words, the consultant must have actually incurred and paid the costs before invoicing the local agency.

For federal or state reimbursement of consultant costs on a project, the local agency must submit the following to the DLAE, for each consultant or consulting firm used on the project (failure to do so will result the consultant's invoices for reimbursement being returned to the agency unprocessed):

- Copy of Executed Consultant contract;
- Exhibit 10-C *Consultant Contract Reviewers Checklist*;
- Exhibit 10-O1 *Consultant Proposal DBE Commitment* (federally funded projects only);
- Exhibit 10-O2 *Consultant Contract DBE Information* (federally funded projects only).

Invoices should include the following:

- Prepared on the consultant's letterhead;
- Signed by the consultant's project manager;
- Have a unique invoice number;
- Appropriate documentation attached;
- If the contract involved milestones, each milestone should be invoiced separately;
- If the contract involved subconsultants, a separate invoice for each subconsultant should be attached in the same format as the prime consultant's invoice and should be included in the summary of the prime consultant's invoice.

The following are requirements associated with each invoice that the local agency should include:

- A summary of the reimbursements to-date and a summary of the funds remaining in the contract. This should be compared to the local agency's own record of reimbursements to-date and a summary of the funds remaining in the contract.
- A summary of all payments to-date and funds remaining in the contract for each subconsultant.

The local agency is to follow the procedures given in Chapter 5 *Accounting/Invoices* of the LAPM to obtain reimbursement of federal or state funds.

CONTRACT AMENDMENTS

Contract amendments are required to modify the terms of the original contract for changes such as extra time, added work, or increased costs. Only work within the original advertised scope of services shall be added by amendment to the contract. The addition of work outside the original advertised scope will make that work ineligible for federal or

state reimbursement (see Q&As):

http://www.fhwa.dot.gov/programadmin/172qa_01.cfm).

There is no prescribed format for contract amendments. They may take the form of letter-type agreements meeting the legal requirements of the local agency, clearly outlining the changes and containing a mutually agreed upon method of compensation. Such agreements must conform to the requirements of this manual with regard to payment.

A consultant contract may be amended at any time prior to the expiration date of the original contract. The most common amendment is to extend the ending date of the contract. All contract amendments must be fully executed before the ending date of the contract.

For on-call consultant contracts, the amendment is restricted to the work (task order) that has already been started by the consultant and can not include any new work.

All contract amendments must be in writing and fully executed by the consultant and local agency before reimbursable work begins on the amendment. If an emergency exists of such magnitude that a delay cannot be tolerated, the local agency and the consultant may agree on an amendment initiating the work, so that reimbursable work may begin. The initiating amendment is then followed by a final amendment once the full scope of the emergency work is known and agreed to by both parties. In both cases, sufficient funding should be included in the amendments to pay for all work to be performed by the consultant. The final amendment must be executed as quickly as possible. Failure to fully comply with this section may result in the loss of local agency funding.

If an amendment increases the contract to over \$1M then the procedures in Case 2 under in Section 10.3 *A&E Consultant Audit and Review Process* of this chapter of the LAPM shall apply to the entire contract.

PERFORMANCE EVALUATION

Pursuant to 23 CFR §172.9(a) agencies are required to prepare an evaluation of the consultant when the project has been completed. The Contract Administrator evaluates the consultant's performance after the consultant's final report has been submitted, and the Contract Administrator has conducted a detailed evaluation with the consultant's project manager. See Exhibit 10-S *Consultant Performance Evaluation* for a suggested format for use by the local agency.

PROJECT RECORDS

Federal-Aid Highway Program funding recipients and sub-recipients must maintain adequate and readily accessible project performance and financial records, supporting documents, and other records considered pertinent to the grant agreement and in compliance with Federal laws and regulations (e.g. 23 U.S.C. 112; 40 U.S.C. 1101-1104, 23 CFR 172, 48 CFR 31, and 49 CFR 18.) These records shall be maintained for a minimum of three (3) years following issuance of the final voucher from FHWA (forwarded by Caltrans) and the closure of all other pending matters (49 CFR 18.42(b)).

For audit purposes, project records and documentation shall be kept for three (3) years after payment of the final federal or state voucher. Among the records to be retained are as follows:

- Copies of RFPs and RFQs;
- Documentation of DBE participation (including Exhibit 10-O1 *Consultant Proposal DBE Commitment* and 10-O2 *Consultant Contract DBE Information*);

- Solicitation and advertisement records;
- Identification of selection committee members;
- Evaluation and ranking records such as original score sheets from all panel members, short list questions and other documentation (see Exhibit 10-B *Suggested Consultant Evaluation Sheet*);
- Independent cost estimate (prepared in advance of receipt of RFPs and RFQs);
- Record of negotiations (to include a separate negotiations of profit in accordance with federal guidelines);
- Conformance and Cognizant Agency Letters, when applicable;
- CPA-audited ICR Audit Report or Approved State DOT Cognizant Indirect Rate Letter, if any;
- Consultant Certification of Costs and Financial Management (Exhibit 10-K *Consultant Certification of Contract Costs and Financial Management System*) for contracts over \$150,000;
- Executed consultant contracts, cost proposals and amendments (see Exhibit 10-R *A&E Sample Contract Language* and Exhibit 10-H *Sample Cost Proposal*);
- Contract oversight and progress meeting documents;
- Progress and final payments;
- Performance evaluation (see Exhibit 10-S *Consultant Performance Evaluation*);
- Consultant contract checklists (see Exhibit 10-C *Consultant Contract Reviewer's Checklist*);
- Accounting records documenting compliance with State and federal administrative requirements;
- Certifications and Conflict of Interest forms (Exhibit 10-F *Certification of Consultant, Commission & Fees*, Exhibit 10-L *Local Agency Certification of Cost Analysis*, Exhibit 10-T *Panel Member Conflict of Interest and Confidentiality Statement*, Exhibit 10-U *Consultant in Management Position Conflict of Interest and Confidentiality Statement* and Exhibit 10-Q *Disclosure of Lobbying Activities*, as appropriate).

10.9 MISCELLANEOUS CONSIDERATIONS

ENGINEERING SERVICES UNDER \$150,000

The procurement of consultant services by Small Purchase Procedures is in accordance with 23 CFR §172.5(a)(2) modified by FHWA Memorandum dated June 26, 1996, and 49 CFR 18.36(d).

Local agencies should be fully aware that consultant services costing in aggregate no more than \$150,000 per contract may be obtained through a relatively simple and informal method of procurement. This informal method must be sound and appropriate for the consulting services procured and the project files must contain justification for the selection. The method of procurement shall be an open and competitive process in selecting consultants and should consider a minimum of three different consultants whenever possible. The Brooks Act and the consultant audit process described in Section 10.3 of this Chapter do not apply to consultant service contracts under \$150,000. Although this method of procurement is informal, it must still comply with Sections 10.1, 10.2, 10.8 and 10.9 of this Chapter.

Price or rate quotation may be considered in the selection of A&E consultants on contracts below \$150,000 and must be documented in the project files. Qualified small business firms shall be considered for selection on federal-aid and state reimbursed contracts. Additionally, on federal-aid contracts, qualified DBE firms shall be considered for selection, and the appropriate federal contract language shall be included.

Should the amount of any contract modification or amendment that would cause the total contract amount to exceed the federal simplified acquisition threshold (currently established at \$150,000), the contract modification or amendment would be ineligible for federal funding. Also, FHWA reserves the right to withdraw all federal-aid funding from a contract if it is modified or amended above the applicable established simplified acquisition threshold.

NONCOMPETITIVE NEGOTIATED CONTRACTS (SOLE-SOURCE)

Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals (49 CFR Part 18.36).

FHWA considers these types of contracts as “Sole Source” contracts and should be used only in very limited circumstances. A Public Interest Finding prepared by the local agency and approved by Caltrans is required before establishing these services (23 CFR 172.5; also see LAPM Exhibit 12-F *Request for Approval of Cost-Effectiveness/Public Interest Finding*).

Conditions under which noncompetitive negotiated contracts may be acceptable include:

- Only one organization is qualified to do the work;
- An emergency exists of such magnitude that cannot permit delay;
- Competition is determined to be inadequate after solicitation of a number of sources.

The local agency shall:

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

The local agency must carefully document details of the special conditions, obtain Caltrans approval on a Public Interest Finding and retain all documents in the project files for future Caltrans’ or FHWA’s review.

A Public Interest Finding (see LAPM Exhibit 12-F *Request for Approval of Cost-Effectiveness/Public Interest Finding*) is not required for a local agency to be reimbursed for contract administration activities associated with non-infrastructure type projects such as many Safe Routes to School or Transportation Alternatives Program projects. However, an indirect cost allocation plan must be approved in order to be reimbursed for this work (see <http://www.fhwa.dot.gov/legisregs/directives/policy/indirectcost.htm>).

PERSONAL SERVICES CONTRACTS

A personal services contract is characterized by the employer-employee relationship created between the local agency and the contract personnel who essentially perform similar duties as the employees. When personal engineering services less than \$150,000 or non-engineering consultant or vendor services for non-infrastructure programs are needed and federal or state reimbursement will be sought; these services may be obtained through Small Purchase Procedures up to a limit of \$150,000 each.

The \$150,000 is a cumulative limit for services provided by any individual consultant or consulting firm. Such services must be under the direction and control of a full-time employee of the local agency in responsible charge. Compensation for construction engineering services should be based on actual costs incurred, plus a fixed fee, or in the case of individual compensation on an agreed-upon hourly or daily rate. Lump sum payments should not be used for construction engineering services.

For personal service contracts, the following information must be documented by the local agency and retained in the project files:

- Explanation of the services needed, and why they cannot be provided by the local agency;
- Name and qualification of the consultant, who provided the services;
- Documentation of the fees showing how the fee was calculated, and that it is reasonable by comparative standards;
- Any other records needed to show compliance with federal-aid program regulations.

RETAINING A CONSULTANT AS AN AGENCY ENGINEER OR IN MANAGEMENT ROLE

A local agency may retain qualified consultants on its staff in professional capacities such as agency consultant engineers, architects, or public agency officials in a management role such as City Engineer (or equivalent). The agency consultants can be an individual or a firm providing professional or management services.

The use of a consultant in a management role should be limited to unique or very unusual situations. These situations require a thorough justification as to why the local agency cannot perform the management. Consultants used in management roles must be selected using the same procedures as those for other consultants specified in this chapter.

Eligibility for federal or state reimbursement for local agency engineering (or equivalent) services requires the following:

- Compliance with the selection procedures specified in this chapter;
- Existence of a contract between the local agency and the consultant specifying the local agency engineering services to be performed;
- Written designation by the local agency of the responsibilities and authority of the consultant as an agency engineer;
- Completion by the consultant designated as an agency engineer of the conflict of interest for public agency officials “Form 700” as required by State law;
- For a state funded or federal-aid project, completion of Exhibit 10-T *Panel Member Conflict of Interest and Confidentiality Statement* by all members (both consultants and employees) prior to participating in the Architect & Engineering (A&E) Selection Panel pertaining to the specific selection process and the firms being considered;
- For a state funded or federal-aid project, a local agency consultant in a management role shall not:
 - Participate in, or exercise authority over the A&E selection process, if that consultant’s firm is one of the proposing firms, or subconsultant to a proposing firm;

- Participate in, or exercise authority over management of work performed by the consultant's firm, or to a consultant's firm of which the local agency consultant firm is a subconsultant. This would include, but not be limited to, managing or directing the work, approving changes in the schedule, scope, or deliverables; and approving invoices.
- Apply for or receive reimbursement of federal-aid funds for the local agency's federal-aid project if either of the foregoing has occurred. However reimbursement for the construction contract portion of the project will still be allowed provided all other federal-aid requirements have been met.
- Where benefiting more than a single federal-aid project, allocability of consultant contract costs for services related to a management role shall be distributed consistent with the cost principles applicable to the contracting agency in 49CFR 18.22.
- For a state funded or federal-aid project, completion of Exhibit 10-U *Consultant in Management Position Conflict of Interest and Confidentiality Statement* by all consultant engineering staff in management positions that exercise authority over the A&E selection panel pertaining to the specific selection process and the firms being considered.
- A completed Exhibit 10-U *Consultant in Management Position Conflict of Interest and Confidentiality Statement* form shall be submitted to the DLAE by the local agency concurrently with submitting the request for the funding authorization of an A&E contract which will contain federal or state funds.
- Selection of consultants for A&E management positions shall be by the use of qualification based selection procedures on an open and competitive basis resulting in a contract with defined beginning and ending dates not to exceed five (5) years.

If engineering services for a project are within the scope of the services described in the retained consultant's contract, these services may be performed by the person or firm designated as an agency engineer. If the services are not within the scope, eligibility for federal or state reimbursement for these services require a new consultant contract to be developed using the selection procedures in this chapter. Retained consultants involved in the preparation of the RFP or RFQ shall not be considered in the selection of consultants for the resulting project specific work.

When engineering or architectural consultants are procured with federal-aid funds, the local agency (subgrantee) shall fully comply with the following:

- Subparagraphs of 49 CFR §18.36(b)(2) "...maintain a contract administration system..."; and (3) "...maintain a written code of standards.... No employee, officer or agent of the ...subgrantee shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved...."
- Subparagraph of 23 CFR §172.9(d) "Consultant in management roles," requires that if a local agency has or intends to have a consultant in a management role (except as the designated public official, City Engineer or equivalent, as provided for under the terms of the local agency contract), the local agency shall receive approval from Caltrans. In addition, any federal-aid projects designated as "High Profile" projects may also need approval from FHWA.
- Liability insurance should normally be required from the consultant (errors and omissions, etc.).

CONSTRUCTION ENGINEERING SERVICES

Under federal-aid regulations and state policy, the primary responsibility for general supervision of construction must remain with the local agency. The local agency must also ensure that the work is performed in accordance with the approved plans and specifications, by employing or retaining as a consultant a registered engineer for construction engineering services on the project.

All activities performed by a consultant must be under the overall supervision of a full-time employee of the agency who is in responsible in-charge. These activities may include construction surveys, foundation investigations, measurement, and computation of quantities, testing of construction materials, checking of shop drawings, preparation of estimates, reports, and other inspection activities necessary to ensure that the construction is being performed in accordance with the plans and specifications. The construction engineering consultant's contract defines the relative authorities and responsibilities of the full-time employee of the local agency in charge of the project and the consultant's construction engineering staff.

If a technical inspection consultant is to provide professional assistance to the local agency, a formal consultant contract must be executed which follows this chapter's requirements. The contract shall provide for reviews at appropriate stages during performance of the work to determine if any changes or other actions are warranted. These reviews are to be made by the local agency.

10.10 REFERENCES

- [23 CFR, Part 172](#) – Administration of Engineering and Design Related Service Contracts
- [40 USC, Section 1104](#) - Brooks Act
- [41 CFR](#) - Public Contracts and Property Management
- [41 USC](#) – Public contracts
- [48 CFR, Chapter 1, Part 15.404](#)
- [48 CFR, Chapter 1, Part 31](#)
- [Title 48, Part 16 – Types of Contracts](#)
- [48 CFR 27, Subpart 27.3](#) - Patent Rights under Government Contracts
- [48 CFR 31.201-3](#)
- [48 CFR, Chapter 99 – Cost Accounting Standards, Subpart 9900](#)
- [49 CFR, Part 18](#)
- [49 CFR, Part 26](#) – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs
- [American Association of State Highway and Transportation Officials \(AASHTO\) Uniform Audit and Accounting Guide](#)
- [Caltrans Division of Procurement and Contracts Website](#)
- [California Labor Code, Section 1775](#)
- [Government Auditing Standards \(GAS\) issued by the United States Government Accountability Office](#)
- [Government Code Sections 4525 through 4529.5](#)
- [OMB Circular A-110](#) - Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations
- [Standard Environmental Reference \(SER\)](#)

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Dept Acronym:	DPW
Dept Name:	San Francisco Public Works
PSC Coordinator Name:	Belle Macaranas
PSC Coordinator Email:	Belle.Macaranas@sfdpw.org
PSC ServiceNow Record Number:	DHRPSC0004920

PS Contract ID	Contract Start Date	Contract End Date	Contract Not to Exceed Amount	PSC ServiceNow Record Number (if PSC approval was obtained)	Brief Description of Services Rendered
1000026403	10/31/2023	10/28/2028	\$ 12,147,579	PSC 47357-22/23	Professional Design of a fire training facility from Architectural and Engineering Team led by an Executive Architect



SAN FRANCISCO PLANNING DEPARTMENT

MEMO

DATE: February 11, 2019

TO: Environmental Review Consultants, Project Sponsors, and Interested Parties

FROM: Lisa Gibson, Environmental Review Officer

RE: Protocols to Ensure Objectivity in Consultant-Prepared Materials

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Use of Consultants in Environmental Review Process

The San Francisco Planning Department (department) is the California Environmental Quality Act (CEQA) lead agency for public and private projects in the City and County of San Francisco. For any given project undergoing environmental review, the department may rely upon consultants to prepare CEQA determinations, such as initial studies, negative declarations, and environmental impact reports, and technical reports, such as transportation impact studies, historic resource evaluations, and wind studies. The department identifies consultants that the department deems well-qualified and selects consultant(s) to provide services in support of the City's efforts. The City requires project sponsors to pay the fees of consultants. The use of consultants is critical to the department's ability to conduct CEQA review in an efficient and effective manner. Pursuant to state and local requirements, the department reviews and analyzes consultant-prepared materials to ensure that they reflect the independent judgment of the department.

Protocols to Ensure Objectivity

The department has developed and consistently uses policies and procedures that ensure the impartiality and thoroughness of consultant-prepared materials. This purpose of this agreement is to list the protocols, which are intended to eliminate potential conflicts of interest, or appearance of conflicts of interest, and promote objectivity, and to obtain a commitment by the project sponsor and CEQA consultants to abide by these protocols. These formal department practices aimed at eliminating the potential for bias on the part of consultants ensure that the environmental reports prepared by consultants consider all relevant analyses and findings.

Department staff, consultants, project sponsors, and other parties involved in the environmental review process must strictly adhere to these protocols as applicable:

- The project sponsor shall present accurate and complete information pertaining to all aspects of the proposed project as deemed necessary by department staff to enable a

thorough evaluation and disclosure of the potential physical environmental effects of the project. Materials presented to the department by the project sponsor shall be neutral in tone and shall not advocate for the project.

- The project sponsor shall not advocate for environmental review documents to promote the project or the potential environmental benefits of the project; pursuant to CEQA, the focus of the CEQA analysis is on the potential adverse environmental impacts of the project. It is appropriate, however, for the project description to include a statement of the purpose of the proposed project and project objectives.
- Consultants conducting environmental analysis and preparing environmental studies in support of department CEQA environmental review shall not have a conflict of interest that would prevent them from conducting an objective and thorough evaluation that considers all relevant analyses and findings. For example, a consultant shall not be involved in both environmental analysis and project planning. Further, consultants shall not represent the project sponsor at public hearings and meetings. Project sponsors shall not include consultants, or represent consultants, as part of the “project sponsor’s team.”
- Consultant scopes of work must be developed at the direction of and approved in writing by department staff.
- Consultants may communicate directly with the project sponsor as necessary strictly for the purposes of contract negotiation and management.
- Through the department’s environmental coordinator (in meetings and via emails and phone calls), consultants may communicate with the project sponsor for the purposes of preparing the project description and formulating mitigation measures and alternatives. The planning department’s environmental coordinator shall participate in all such discussions.
- Unless otherwise directed by the environmental coordinator, consultants shall provide all deliverables to the department only. Consultants shall not distribute administrative drafts of environmental review documents and related deliverables or provide preliminary results to project sponsors or other parties. Only the department may provide copies of a consultant’s work product to a project sponsor.
- Consultants shall remain neutral and provide only objective, unbiased materials and services to the department. Environmental review documents must be neutral in tone and must not advocate for the project.

- Consultants shall not engage in discussions with the project sponsor regarding material changes to the environmental analysis or conclusions of the environmental document and/or background analysis document without the participation and consent of the City's environmental coordinator.
- The focus of the project sponsor's review of administrative draft environmental documents shall be on ensuring accuracy in the project description and related assumptions used for the purpose of environmental review. In addition, the project sponsor shall review mitigation measures and alternatives, as applicable, to assess their potential feasibility. Under no circumstances shall the project sponsor pressure the consultant to change findings or recommendations. All feedback by the project sponsor on the environmental analysis shall be presented to the environmental coordinator.
- During environmental review, disagreement between project sponsors, consultants, and department staff may occur on the facts or analysis of the project. Divergent opinions of team members are expected and welcome during the environmental review process. However, the goal is for team members to come to an agreement before a draft or final report is submitted for review. If no agreement can be reached, the environmental coordinator may take the matter to the Environmental Review Officer (ERO) for resolution. Ultimately, the final decision on how to proceed rests with the ERO.
- Should a consultant be put in a situation that creates pressure to violate these protocols, the consultant shall disclose such instance to department staff.
- Failure of a consultant to observe these protocols may result in penalties that could include termination of the consultant from the project team. Further, if the consultant is in one or more of the department's consultant pools, penalties may include skipping of the consultant in a rotation of the consultant pool or removal of the consultant from the consultant pool entirely.
- Failure of the project sponsor to observe these protocols may result in additional costs and schedule increases related to the need for additional consultant services to redo previously performed work or to peer review work, additional meeting attendance, and other factors.

We appreciate your attention to these protocols. If you have any questions regarding these requirements, please contact Chelsea Fordham, Consultant Pool Manager, at (415) 575-9071

or Chelsea.Fordham@sfgov.org or Lisa Gibson, Environmental Review Officer at (415) 575-9032 or Lisa.Gibson@sfgov.org.