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Bienvenue en Louisiane



Risk-Based Indirect Cost Oversight Process & Consultant Selection

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Risk-Based Indirect Cost Oversight Process





Three Goals of a Risk-Based Process

- Target DOTD review efforts where they can be of most value
- Reduce burden on firms doing little business with DOTD
- Streamline review process and reduce turnaround time for all consultants



Submittal Requirements for All Consultants

- “AASHTO Internal Control Questionnaire for Consulting Engineers”
 - Must include all supporting documents requested on the face of that form
- “Consulting Engineer Self-Certification Packet”
 - Will be published on CCS website
 - Firms will provide level of billings on DOTD projects and number of DOTD contracts in most recent firm FY, and current and PY ICRs
 - Firms will certify to accuracy of all documents submitted to DOTD
- Financial Statements from most recent firm FY
- FAR compliant “Schedule of Indirect Costs”



Risk Review Committee

- Has full discretion to assign risk level of consultants
 - May request additional information, if needed, to make its determination
- Establishes guidance on what will typically be considered low, medium, and high risk
 - Will be published on CCS website
 - This is guidance **ONLY**, does not limit the RRC's discretion in evaluating a specific firm



Risk Review Committee

- Membership
 - Audit Director (Chair)
 - CCS Administrator
 - Chief's Designee
 - At or above Section Head level
 - Must have substantial experience related to DOTD's consultant contracts

Level of Risk	Level Parameters	Audit Requirements*	Procedure
High Risk	<ul style="list-style-type: none"> Consultants who do not meet the prescribed definitions for low- or medium-risk firms 	<ul style="list-style-type: none"> Consultants will be required to submit a FAR-compliant CPA audit 	<ul style="list-style-type: none"> DOTD's Audit Section will perform a full review of the documentation according to standard operating procedures
Medium Risk	<ul style="list-style-type: none"> Greater than \$500,000 but less than \$2M in annual billings on consultant contracts with DOTD; No significant changes (15% or more) in consultant's audited indirect costs rates from the previous fiscal year; Indirect cost rates are at or below the statewide average; and No significant deficiencies in audited submittals for the last three (3) years 	<ul style="list-style-type: none"> Consultants will be required to submit a FAR-compliant CPA audit 	<ul style="list-style-type: none"> Indirect cost rates may be approved by the RRC and entered into the database without automatic review by DOTD Audit DOTD's Audit Section will pull and complete a full review per standard operating procedures on a random sampling of firms in this category for quality assurance purposes
Low Risk + Cognizant Rates	<ul style="list-style-type: none"> Less than \$500,000 in annual billings on consultant contracts with DOTD; or Cognizant Rate submitted from another State Transportation Agency (STA) 	<ul style="list-style-type: none"> Consultants seeking approval through cognizant submissions will be required to submit the firm's approved cognizant audit 	<ul style="list-style-type: none"> Indirect cost rates may be approved by the RRC and entered into the database without automatic review by DOTD Audit



Questions?





Consultant Selection





Selection Process Goals

- Present the most qualified proposers to the DOTD Secretary for final selection
- Align incentives toward proposals and teams best able to deliver the highest quality work
- Consistency within each selection
- Evaluation to focus on proposal to perform work, not individual firms
- Qualitative & holistic evaluations by the PET



Process Development

- Lessons learned
- Cross discipline DOTD team
- Partner feedback
- Alignment with other state and local processes currently in use
- Keeping within federal guidelines



PET Membership

- Voting members
 - Road
 - Bridge
 - Project Management section
 - Construction/District
 - Traffic/Planning
- Non Voting Member
 - CCS administrator (chair)
- SME as requested by PET
 - Project Manager
 - Geotech
 - Survey
 - Environmental
 - Etc.



PET Membership

**PET members are representatives of their
respective section and are speaking on behalf of
the section**



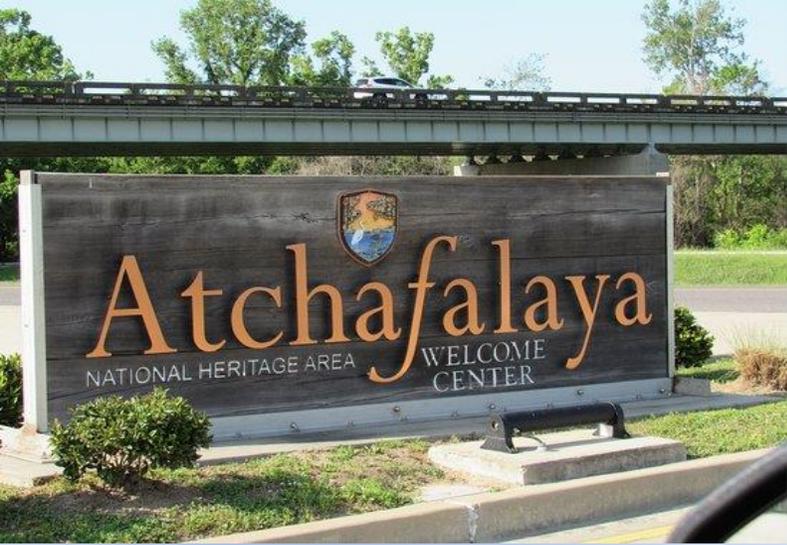
PET Operation

Consistency Within Teams

- 2 primary teams and 1 backup
- PET members work on 3 year rotation
- Members serve 1 year as backup then become primary for 2
- Backup team provides extra capacity and steps in for any team excluded for conflict of interest
- Entire teams are replaced, never individuals, unless there is a change in an individual's employment status

Special Circumstances

- Chief Engineer may create special teams to address specific selections



PET Operation

Process

- Scoring meeting organized & coordinated by CCS administrator
- PET meets to discuss merits of each submittal and share the individual opinions
- CCS administrator documents meeting and scores
- Current 1-5 scale will be retained
- Rankings will be determined by the end of the scoring meeting
- Shortlist submitted to Secretary for final selection



Rating Criteria

Current Workload

- Weight of 5
- PET determines if team has capacity to perform work given current workload
- Provided on #21 (pg. 12) of 24-102

Location of Work

- Will be superseded by federal regulations in most cases
- Weight of 10% (federal cap)
- Expected to be used for CE&I
- Provided on #20 (Pg. 11) of 24-102



Rating Criteria

Approach & Methodology (work plan)

- Weight to be 9 (30% of entire selection)
- Proposer will explain how they plan to complete the project
- DOTD will provide minimal, if any, structured guidance in the advertisement
- This will be the opportunity for team to present proposed efficiencies and innovations and any proprietary information should be labeled
- Limited to 4 pages unless otherwise advertised
- Provided on #19 (Pg. 10) of 24-102



Rating Criteria

Firm Experience

- Weight of 3
- Any prior work the firms on the proposed team have completed on projects of similar scope
- Provided on #18 (pg. 9) of 24-102

Staff Experience

- Weight of 4
- Any prior work of similar scope done by designated project staff regardless of employer
- Provided on #17 (pg. 8) of 24-102



Rating Criteria

Firm Size to Project Magnitude

- Weight of 3
- 2 components: global transportation personnel and designated staff for this proposal
- PET determines relation to project magnitude
- Provided on #13 (Pg. 4), #14 (Pg. 5) & #15 (Pg. 6) of 24-102
- Removes annual APL reporting

Additional Advertised Criteria

- Criteria and associated weight to be published in advertisement



Rating Criteria

Past Performance Evaluations

- New system of DOTD narratives and firm responses
- One evaluation, per discipline, per firm
- Generated by PM, signed by Section Head
- Evaluations will be fact driven and may cover positive and negative aspects
- Narrative evaluations are done at the conclusion of the contract/task order deliverables or early termination of contract/task order
- Sub-consultant evaluations are only completed when the sub-consultant has performed enough work to allow an independent assessment of the sub-consultant's performance



Rating Criteria

Past Performance Evaluations

- Evaluated firm will be provided the DOTD narrative and will be given the opportunity to submit a response
- The DOTD narrative cannot be changed and any issues will be addressed in the consultant response which will be attached to the archived narrative
- DOTD narratives and evaluated firm responses will both be limited to 2 pages
- DOTD narrative and response constitutes the past performance evaluation and will be distributed to all firms on the team



Rating Criteria

Past Performance

- Weight of 6
- PET reviews previous 5 years of evaluations of the firm on relevant DOTD projects
- Past Performance Evaluations provided to PET by CCS



Transition

Past Performance

- Narrative evaluations have been implemented
- Will be a transition period (anticipate 24 months)
 - PET will use narratives & prior CPPR evaluations
 - Prior evaluations may be used for 5 years if a relevant sample of narratives is not available

PET

- New PET selection process begins prior to start of new state fiscal year



Training

Initial

- 4 unique tailored efforts
 - Consultant
 - PM/TM/Section Head
 - CCS Staff
 - PET Members

Ongoing

- CCS to create & maintain 2 specific trainings
 - PM/TM/Section Head/Consultant
 - PET Members



Panel Discussion

DOTD

Chris Knotts, Chief Engineer

Ed Wedge, Deputy Chief Engineer

Chad Winchester, Project Development Division Chief

Mark Chenevert, Contract Services Administrator

Geoffrey Rodriguez, QCIP Director

Darhlene Major, CCS Administrator

