

Appendix A
DOT Contract Status Report

Department of Transportation
CONTRACT STATUS REPORT
April 2007

OVERVIEW

The Department of Transportation (Department) is responsible for the initiation and management of a wide variety of contracts that are necessary to support the Department's workload. This report concentrates on the Professional Service Contracts managed by the Department. A contract for professional services identifies the scope of professional services, total value of contract authority and the time duration of the contract. These contracts, or Agreement for Services, are approved and executed by the Board of Supervisor (BOS) if they exceed \$50,000.

As of February 2007, the Department was managing 81 active contracts for professional services with a combined value over \$28 million. (A listing of active professional service contracts in order of type of professional service an expiration date is provided in Appendix B of this report). The scope, cost or duration of a contract cannot be changed without an approved contract amendment by the approving authority, typically the BOS. As shown in the following table, a majority of these contracts (48) have never been amended. Of the remainder, 23 contracts have had one amendment and only 10 contracts have been amended multiple times.

Contracts with Amendments			
	Number of Contracts	Total Value of Contracts	Number of Amendments
	48	\$11,337,439	0
	23	\$13,632,449	1
	7	\$2,010,420	2
	1	\$700,000	3
	1	\$25,000	4
	1	\$1,035,398	7
Totals	81	\$28,740,706	51

Engineering Contracts			
	Number of Contracts	Total Value of Contracts	Number of Amendments
	16	\$9,777,500	0
	8	\$12,103,000	1
	5	\$2,000,920	2
	1	\$700,000	3
	0	\$0	4
	1	\$1,035,398	7
Totals	31	\$25,616,818	28

Other Professional Services Contracts			
	Number of Contracts	Total Value of Contracts	Number of Amendments
	32	\$1,559,939	0
	15	\$1,529,449	1
	2	\$9,500	2
	0	\$0	3
	1	\$25,000	4
	0	\$0	7
Totals	50	\$3,123,888	23

Most of the Department's professional service contracts are managed through Task Orders. No work can be performed by the consultant unless a Task Order is properly executed by the Department. Services included in Task Orders must stay within the scope of services and terms of the approved contract. Task Orders include requirements as necessary to provide deliverable products on defined schedules and limit the amount of cost that the consultant can charge for the work ("not-to-exceed" amounts). This allows work for large projects to be "metered out" in

measurable increments with tight controls and reviews. Since Task Orders control the amount of work that is authorized, the control of the contract lies with the Department - NOT the consultant. As shown in Appendix A, the Department has issued a total of 264 Task Orders on the 81 active contracts.

CONTRACTING ISSUES WITH ON-GOING WORK

In response to the significant increase in workload and the limited success in hiring engineering staff, the Department has had to increase its reliance on professional services contracts. This increased use of consultants has led to an evolution of procedural changes in the initiation and management of consultant contracts. Though the primary contract management responsibilities are still decentralized - residing with a Contract Administrator working in any one of the six Department Divisions - there has been a much stronger centralized review and approval of contract activities, particularly those associated with the execution of Task Orders. The process for executing a Task Order is shown in Appendix B; however, the most notable changes have been:

- a centralized database that includes total amount of money encumbered under Task Orders
- a centralized review process that will prevent Task Orders from being written that exceed the contract authority
- a centralized review process that validates incoming invoices against actual Task Orders
- a centralized review process that requires Task Orders to be executed only by the Director after they are reviewed by County Counsel

These new processes have added value by improving consistency and reducing errors that offset the increased time (three to four weeks) to initiate work.

TIMING

Over the next six months, the Department has many contracts that will expire. With the adoption of the new County Purchasing Ordinance and Procurement Policy C-17 on September 12, 2006 numerous issues have been identified that will impact the strategy on how, or if, these existing contracts should be amended. Issues include:

- Are the services still needed and is the existing consultant performing?
- Most active contracts were executed prior to the adoption of the new Ordinance and Policy
- Most active contracts followed a selection process that included a Request for Qualification (RFQ) and/or a Request for Proposal (RFP) and a documented selection process, but some of these contracts did not include someone external to the Department in the selection process which is a requirement of the new policy when and RFQ/RFP process is used and the contract exceeds \$100,000.

- Amending an existing contract can take two months while initiating a new contract through a formal RFQ/RFP process can take six months or more. For time sensitive projects, this extra time could delay project delivery.
 - RFQ/RFP process takes on average about two to three months more than processing a contract amendment.
 - Negotiations, preparation, and approval for contract and BOS approval process takes two to three months.
- Lapse in service between expiration of an existing contract and execution of a new contract should RFQ/RFP process be used may not be desirable for many key projects.
- Amending an existing contract can cause other concerns:
 - Effective January 1, 2007, new indemnification provisions for Architectural and Engineering contracts must be included for all new contracts and any contract amendments, thus complicating the older indemnity provisions.
 - Possible conflicts with the new procurement policy since the existing contract selection process may not have complied with the new ordinance.
 - Introduces an appearance of favoritism on contract awards.

PROPOSED STRATEGY FOR AGREEMENTS THAT ARE SET TO EXPIRE

A review of the above noted issues will be made with the Purchasing Agent for each contract before it is set to expire. A recommendation will be made as result of this review that will be based on benefits (added value) to the county. There are also some large Task Order administered engineering contracts that provide design services for specific interchanges along Highway 50. The continuity of these services is vital if existing project delivery schedules are to be met. Since the standard term of these agreements is two years, the contracts will expire before the design work on the interchanges will be complete. Maintaining the same consultant firm through the completion of the project will enable previously performed work to be readily incorporated into the final design and has benefit. However, it is not absolutely necessary that the same firm continue with the project.

The Department has evaluated each of these large engineering contracts feels that there is value added to the county by proposing the following strategies to complete the design work:

Cameron Park Road/US 50 Interchange – DMJM Harris

This agreement was approved by the Board on August 16, 2005 and is set to expire August 15, 2007. The selection process included an RFQ from which a short list of firms was selected of 18 consultant submittals. Interviews were then held with a Department panel and DMJM Harris was selected as the most qualified firm.

Work performed to date under this agreement has developed the PS&E for the Palmer Drive/Cameron Park and the Country Club Drive/Cameron Park Drive Intersections.

Transportation improvements in and around the Cameron Park Interchange are critical to meeting traffic level of service policies. To prevent a lapse of service on the design effort by DMJM Harris, it is proposed that a new agreement be negotiated with DMJM Harris to complete the planning and design work at this interchange. A new agreement is preferred due to the need to change cost, scope, schedule and indemnity provisions that make an amendment less desirable. Until such new agreement is in place, work under the existing agreement will continue via smaller task orders that will produce tangible products. Specifically, Task Order #4 will be reduced in scope so that tangible products within the existing contract time period can be delivered.

Remaining Interchanges/Joint Selection Process

On November 8, 2005 the Board approved the selection process of five engineering contracts to perform engineering design work on five other interchanges along Highway 50. These contracts went through a selection process that met the requirements of the new procurement policy (including an RFQ, formal selection criteria, and the inclusion of a person external to the Department as part of the selection team). Since the Board approved of that selection process, it is believed to be in the best interest of the county to negotiate new contracts (in lieu of amending them) with the existing consultants to complete the work that they were originally hired for without initiating another selection process. It is also believed that there will be no added value or benefit by soliciting new proposals for the work that has already been contracted for.

The new contracts will add indemnity provisions required by state law, refine the scope of services to be more specific and, provide a termination date that is concurrent with the completion of the design work. Though these new contracts are being written to expire when the work is complete, they do include termination clauses and will have task orders that have specific timetables for deliverables.

The status of each of these five contracts is described in more detail following with a recommended course of action to complete the design work. It is important to note that past practices established two-year contract terms rather than allowing the contract to expire at the completion of the work as is now being recommended in new project specific contracts. If the current contracts had been written in accordance with the recommended termination language, they would not be expiring and would therefore not require an amendment or new contract to be negotiated to extend the consultant's services.

El Dorado Hills Blvd/US 50 Interchange and HOV/Mainline Lanes – Quincy Engineering

This agreement was approved by the Board on February 14, 2006 for a two-year term and is therefore set to expire February 13, 2008. The work performed under this agreement is to perform the project planning and design services for the El Dorado Hills Blvd Interchange and the HOV/Mainline lanes from the County Line up to Bass Lake Road. This project has received a \$20 million grant from the Corridor Mobility Improvement Account (CMIA). Delivery of this project will be critical to insure funding.

It is proposed that a new agreement be negotiated with Quincy Engineering to complete the design work at this interchange. Until such new agreement is in place, work under the existing agreement will continue.

Bass Lake Road/US 50 Interchange - TY Lin International

This agreement was approved by the Board on March 7, 2006 and is set to expire March 6, 2008. A number of items delayed the initiation Task Order #1 to develop a PSR/PR, including:

- Corridor Master Plan development and negotiations with Caltrans
- Completion of corridor design level mapping
- Completion of the initial corridor traffic study
- Staff shortages and other priority work

Task Order 1 would typically be for development of a PSR/PR but the time to complete that level of effort would extend beyond the current contract time. An amendment to extend contract time, or a new agreement would be needed. It is proposed to prepare a new contract that will allow for completion of the PSR/PR and continue into final design, PS&E preparation, and construction support as originally intended. Due to the time it will take to get a new contract in place, a Task Order 1 under the current contract would also be advanced for initial steps of the project that could be completed within the allowed contract time. This would allow the project to advance without a delay.

Ponderosa/US 50 Interchange - David Evans & Associates

This agreement was approved by the Board on February 14, 2006 and is set to expire February 14, 2008. Due to other priorities and lack of resources, specific work has not yet advanced on this project. Similar to Bass Lake Road, corridor mapping and other corridor studies have been completed. We have recently assigned a project manager to this project and are in the process of initiating the first Task Order.

Task Order 1 would typically be for development of a PSR/PR but the time to complete that level of effort would extend beyond the current contract time. An amendment to extend contract time, or a new agreement would be needed. It is proposed to prepare a new contract that will allow for completion of the PSR/PR and continue into final design, PS&E preparation, and construction support as originally intended. Due to the time it will take to get a new contract in place, a Task Order 1 under the current contract would also be advanced for initial steps of the project that could be completed within the allowed contract time. This would allow the project to advance without a delay.

Cambridge Road/US 50 Interchange – Mark Thomas & Company

This agreement has not yet been negotiated or approved. It is proposed to re-solicit proposals for this work in accordance with the new procurement policy

El Dorado Road/US 50 Interchange – URS Corporation

This agreement has not yet been negotiated or approved. It is proposed to re-solicit proposals for this work in accordance with the new procurement policy

However, it should be noted that commercial development anticipated in the area may advance quickly and using a formal RFQ/RFP process would result in a firm not being on board for approximately six months. This commercial development places urgency to the need of having a designer on board. It is unlikely the

Department will be successful in hiring sufficient staff to allow this work to be accomplished in-house. It is therefore proposed that a new solicitation be initiated following an expedited process in compliance with the new purchasing policy.

CONCLUSION AND RECOMMENDED ACTIONS

The Department believes it has effectively evaluated the trade-offs between rapid project delivery, increasing workload, the new County purchasing ordinance and policies, and the need to have fair and competitive consultant selection procedures such that the above strategies for extending and/or soliciting new consultant services are in the best interest of the County.

The Department therefore recommends the Board take the following actions:

1. Receive and file this contract status report.
2. Authorize the Department to negotiate new planning and design contracts with:
 - a. DMJM Harris for the Cameron Park Blvd Interchange
 - b. Quincy Engineering, Inc. for the El Dorado Hills Blvd Interchange and Highway 50 HOV/Mainline Lanes
 - c. TY Lin International for the Bass Lake Road Interchange
 - d. David Evans & Associates for the Ponderosa Road Interchange