

# CONSTRUCTION MANAGEMENT TASK ORDER PROCESS

April 25, 2013

## TASK ORDER PROCESS

### **What is the process for approval of Construction Management Task Order Approval Requests?**

*See flowchart. The field division determines the need for services. A field division representative then completes a Request for Services and provides it to the contract administrator. The contract administrator begins the file and forwards it to the consultant.*

*The consultant completes a Request for Task Order Approval (fee proposal) and sends it to the contract administrator. The contract administrator forwards it to the field division representative who negotiates the fee with the consultant. When the negotiations are complete the Request for Task Order Approval is executed by the field division representative and the consultant and returned to the contract administrator. For full oversight projects the contract administrator forwards the Request for Task Order Approval to FHWA for execution.*

*The contract administrator requests an encumbrance equal to the negotiated fee identified on the executed task order through the comptroller representative. The comptroller representative validates available funds and request additional federal funds as necessary before sending the request to purchasing. A purchasing representative prepares and issues a purchase order and sends it to the contract administrator.*

*The Contract administrator issues a notice to proceed to the consultant when the funds are encumbered.*

### **How are Construction Management Task Order Approvals negotiated?**

*Personnel are negotiated by classification/hour to perform the work necessary for the level of services requested.*

*Testing is negotiated by unit rate; this rate should include lab technicians' time to perform the work. Lab managers' time is negotiated hourly as they enter the test in SiteManager and are considered key personnel.*

*Travel time and per diem should be negotiated by lump sum. The lump sum value will be based on the same negotiation process as before but will be paid based on the percentage of calendar days complete.*

**When can you use lump sum payments and when do you have to use hourly fees?**

*Travel time and per diem are negotiated by lump sum. FHWA strongly recommends the payroll be calculated hourly.*

**Why can't we negotiate a lump sum or daily rate for inspection to expedite the submittal/approval process and provide consistency among all consultants?**

*We are open to all suggestions that improve the process while ensuring the projects are adequately/appropriately staffed. But until an alternate method is completely vetted and approved by everyone including FHWA we must continue to negotiate payroll using an hourly method of compensation.*

**Why is the time frame for task order approval longer than the 10 days stated in Section 3.1.4 of the contract? Personnel modification task orders to add a new key employee took 145 days in more than one situation. New task orders have taken between 40 and 50 days to gain approval.**

*Changes to the Request For Task Order Approval form to include all possible key personnel approved to perform services on a specific project will reduce the number of task order revisions needed resulting in faster approval times for task orders submitted. Project Management Division will monitor the approval time under this process and make contract revisions as appropriate.*

**TRAVEL**

**How is the new per diem for travel and expenses calculated?**

*A transportation charge that groups the cost of mileage, lodging and per diem into one lump sum item is negotiated during the task order development. The negotiated fee is based on the projected expenses required to complete the project. Since this item is paid as lump sum the total will only change if the task order is modified to add time. For statewide consistency, mileage is calculated from the nearest consultant office to the job site.*

*Travel time is included in the hourly salary negotiations, not the transportation charge and note that the full hourly salary is paid for travel time from the nearest consultant office to the project site.*

*The lump sum transportation charge is then invoiced and paid based on the percentage of calendar days completed.*

### **Why not invoice Travel time & per diem expenses as incurred rather than trying to capture this “new” way?**

*These low risk items were grouped to reduce the administrative burden associated with the invoicing process while creating a statewide standard.*

**Are consultants expected to absorb all expenses in “Lump Sum” travel fees when a project is substantially complete and still requires many days/weeks before a completion date can be assigned? Example: A cable barrier project is declared substantially complete when cable is up and functional, but it may take 3-4 weeks to finish other work on the project such as final dressings and sod installation.**

*It is not intended for the consultant to “absorb all expenses” in a lump sum item. During negotiations travel fees are to be considered from the notice to proceed to the task order closeout. Even though this total fee is invoiced and paid based on the percentage of calendar days completed it is for the total cost of all the items included in the transportation charge. Task order amendments can be negotiated if the construction contract is extended.*

### **MATERIALS TESTING**

**Something that would be good to discuss at your upcoming meeting is materials testing and anything else that can be included. When billing by the test the testing labs need to establish a numbering system for all of their testing that is numbered consecutively. This should be done for all testing on task orders and should be listed by test number and unit price on their invoices. Some consultants that have their own labs are doing this and it makes keeping track of the testing tremendously easier. Some consultants are just listing the testing by category such as densities or sand equivalent without assigning a test report number to each one and it is very difficult to determine if ODOT is being billed just once or more than once for the same test. The numbering system should not**

**be started over for each project, but should be started and continued for all projects.**

*It was agreed that the consultants will identify the number and type of test expected on the task order. Then each test report and subsequent invoice will include a unique number specific to that test. That way everyone knows which invoice goes with which test report.*

## **CONSISTENCY**

**Why are inconsistencies allowed between project management, field divisions, and auditing branch for approval and processing task orders and invoices as well as auditing of task orders? Is it possible to achieve more consistency across ODOT divisions concerning required documents and procedures? Each division seems to have its own policies and procedures for invoices, audits, etc.**

*The contract administrators use the Guidelines for the Administration of Consultant Contracts for processing task orders and invoices. The field division representatives use the Administration of Construction Management Contracts construction control directive for approving task orders and invoices. OR&E audits task orders according to ODOT policies and general accounting practices.*

*It is intended that concepts from this meeting will be incorporated to strengthening these documents while maintaining ample flexibility.*

**Why is there an absence of written procedures for administrative paperwork? Each contract administrator does not have the same training and information. We receive different answers from different contract administrators. There is not an official notification when there is a change in procedure. The contract administrators are responsible for spreading the word, but it only occurs when an issue arises.**

*The Guidelines for the Administration of Consultant Contracts are available for the department and the consultants and can be viewed on ODOT's website. They have been prepared to conform to pertinent state and federal laws, rules and regulations. These guidelines set the boundaries for all contracting processes. Any changes in the guidelines are posted to the website.*

## **TASK ORDER MODIFICATIONS**

**What is the effective date of supplemental agreements? Example: A supplemental agreement is submitted in July to add a new inspector to a 60-day contract but the agreement is not approved and signed by ODOT until November. Can we bill for the new inspector before we receive the signed supplemental from ODOT? Can this process be streamlined in order to provide consultants an answer within a certain number of days?**

*Work cannot begin until the department issues a notice to proceed. To streamline the process the consultants can now identify all potential key personnel on each task order prior to submittal and any of the identified key personnel can be utilized without additional approval.*

**Why are employees required to be kept at contracted classifications without opportunity for promotions during the life of the contract?**

*Employees are not required to be kept at contracted classifications for the life of the contract. The average wage rates identified in the contract may be modified only once annually. Consultants may request a contract amendment to document changes to key personnel to reflect an employee's new classification. However, an increase to employees' classification does not change the needs of the task order. Task orders are negotiated based on the number of hours anticipated by classification, not by an individual and a promotion for an employee does not change the classification needs on the task order. Therefore, the consultant can utilize other employees to fill the lower classification and utilize the newly promoted employee to fill the higher classification. Please note, that all key personnel changes must be documented in an approved task order and a notice to proceed must be received prior to taking effect.*

**What are the bonding requirements for a Construction Management contract?**

*Professional service contracts require insurance, not bonding.*

**Why are some divisions allowed to retain final 5% of project funds, when that isn't included in the contract? Occurred in four jobs within contracts 1266 and 1339.**

*This has been communicated and it is not expected in the future.*

**Since the start of both the paint & construction contracts, I have not seen a review done at the completion of any project. Was this not part of the contract as a feed back to the consultants? Also, was this not to be used as a tool for future selection of construction management individual task order?**

*At the close of every task order the field division will complete an evaluation and the consultant will receive a copy.*

**Will the Construction Manager be brought in on the Design Phase?**

*That is not currently anticipated.*

**Would it be possible during the meeting to go over what is and what is not an allowable charge? For example "Computer Usage Time".**

*OR&E addressed the Computer Usage Time. It is an acceptable charge and meets the FAR requirements for firms that have set their business model up this way.*

**What is the Department's vision for consultants to meet the DBE requirement? Is the DBE requirement on each task order or overall contract or both?**

*Civil Rights addressed the DBE requirements and identified that the goals are set for the overall contract.*

**Project Management Division Assignments**

|                            |                            |                      |
|----------------------------|----------------------------|----------------------|
| <i>Cecilia Payne</i>       | <i>Divisions 1 &amp; 7</i> | <i>CED 2 &amp; 6</i> |
| <i>Brad Smith</i>          | <i>Divisions 2 &amp; 6</i> | <i>CED 3 &amp; 8</i> |
| <i>Kathy Hurst</i>         | <i>Division 3</i>          | <i>CED 4</i>         |
| <i>Michelle Roberts</i>    | <i>Division 4</i>          | <i>CED 5</i>         |
| <i>Chad Meisenburg</i>     | <i>Divisions 5 &amp; 8</i> | <i>CED 1 &amp; 7</i> |
| <i>Elizabeth Shatswell</i> | <i>Invoices</i>            |                      |