

# 34TH DBE WORKSHOP & SECRETARY'S GOLDEN SHOVEL AWARDS

Diversifying  
Contracts in  
Design and  
Construction



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# 34TH ANNUAL DBE WORKSHOP & SECRETARY'S GOLDEN SHOVEL AWARDS



## Tips for Consultants Working for WisDOT

**Brian A. Roper, P.E.**

Consultant Services & Project Management  
Section Chief

34<sup>th</sup> DBE Workshop & Secretary's Golden  
Shovel

February 19, 2020

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Consultant Services and Project Management Section		
10-13-06-00-00		
011743	SWB - 10/16/17	100
Roper, Brian	DOT Eng Chief	
Consultant Services Unit		
10-13-06-01-00		
009743 (Patel)	SWB 100	
Vacant-A	CE Trans Adv	
005057	SWB - 5/9/14	100
Patoka, Mitchell	CE Trans Sr	
005212	SWB - 9/16/19	100
Wilson, Mary Jo	IS Bus Auto Sr	
009834	SWB - 11/7/2011	100
Berkani-Guevara, Nina	Prog Pol Anl Adv	
011493	SWB - 4/1/19	100
Averill, Olivia	Contract Spec Adv	
LTE	SWB	
Androfski, Karen	IS Bus Auto Analyst	
Vacant	IS Bus Auto Analyst	
Vacant	Contract Spec Adv	
Vacant	Contract Spec Adv	

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## Monthly

- 2.5 – day Q&A; 14-day response
- 2-week lookaheads
- The 3 words...

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## Consultant Services Submittals

- Competition remains keen
- Save vs Submit
- Attachments

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## Consultant Services Submittals

### “Subject to Open Record Request”

- Trade Secret?
- Process and Notifications
- Response timeframe

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## Consultant Services Interviews

### ➤ Details

- Questions posted at time of solicitation
- Consistent wording
- Minimum 8 business day notice
- Typical threshold of \$1.3M

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## Consultant Services Selection

**Posted no later than date shown – every single time**

- Occasionally posted in waves

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## Consultant Services The Three Paths to Professional Services

**Solicitations => contracts**

- Broad competition => 1 selection

**Solicitations => master contracts => work orders**

- Broad competition => multiple selections

**Small purchase => under \$200,000**

- Broad competition => 1 selection

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## Consultant Services Client Feedback

### Performance and Reputation

- “How have I been doing?”
- “Why am I being selected?”
- Not me – Rolodex-free zone
- Region & Bureau consultant supervisor phone calls
- Twice-yearly statewide interviews

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## Consultant Services Engineering Opportunity Day

Three weeks to go – March 11<sup>th</sup> @ the Alliant Energy Center

- Name change
- Registration method
- Registration period
- Consolidated information
- Free form handouts – no PLASTIC
- One-stop shop for cold calls
- Masters this year

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## Consultant Services Construction Fair – September 15<sup>th</sup>

### August solicitation

- Typically 3-week period
- +/- 200 packages (in 2019)

### September interview

- Free-form presentation

### October (and beyond) selection

- After initial wave, selections are posted as-needed (typically monthly)

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## Consultant Services Construction Contracts

### Putting the “E” in E-T-A efficiencies

- Matching staff experience/skills with project needs
- Grow staff capabilities – more project leaders
- Critical inspection
- Delegation of duties
- Travel

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## Consultant Services DBE Goals & Achievements

### FFY 18-20 Goals

- 20.90 % of Federal consulting dollars
- Comprised of:
  - Conscious – 1.23%
  - Neutral – 19.67%

### FFY 19 Achieved

- 29% of Federal consulting dollars

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## Consultant Services CARS

### 2019 highlights

- Nearly \$200M in payments
- 15k invoices

**Rewrite in process - 2021**

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## Tips for Consultants Working for WisDOT

**Randy Knoche, CPA**

Chief of Audit and Contract Administration

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## Qualification Based Selection

- Selection in accordance with Brooks Act and 23 CFR 172
- Price is not considered during selection process
- Contract reimbursement is based on the consultant's actual cost plus fixed fee
- Actual cost is measured using Federal Acquisition Regulation (FAR) cost principles published at 48 CFR 31.2



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## Contract Basis of Payment Types

- Actual Cost Plus Fixed Fee
- Lump Sum (Fixed Price)
- Specific Rate of Compensation (Time and Materials)
- Cost Per Unit

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## Cost Components of Contract Price

- **Direct Labor**
- **Indirect Costs (Overhead)**
- **Other Direct Costs**
- **Fixed Fee**
  - Direct Labor
  - Indirect Costs
  - Other Direct Costs
  - Fixed Fee

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## Indirect Cost Rates

- Most indirect cost rates allocate indirect costs as % of direct labor
- Indirect cost rates range from under 50% to more than 200% of direct labor
- Some firms have multiple indirect cost rate types (home vs. field)
- Indirect costs for actual cost contracts are invoiced at provisional rates and adjusted to final (actual) rates
- Indirect cost excludes direct costs and unallowable costs



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## Allowable Indirect Cost Examples

- Indirect Labor
  - Administration
  - Paid Time Off
  - Direct Selling
  - Bid & Proposal
- Fringe Benefits
- Liability Insurance
- Facilities Cost
- Office Equipment

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## Unallowable Costs Examples

- Indirect Labor
  - Distribution of Profits to Owners
  - Unreasonable Compensation
  - Promotion/Public Relations Activities
  - Merger & Acquisition Activities
- Advertising /Promotion Costs
- Direct Costs/Losses on Contracts
- Bad Debt Expense
- Organization Costs/Goodwill/Non-Compete Agreements

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## Unallowable Costs Continued

- Interest
- Contributions
- Travel costs in excess of GSA limits
- Lobbying
- Personal Use of Company Vehicles

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## Cost Accounting Requirements

### ➤ General Ledger Categories

- Allowable Indirect
- Unallowable Indirect
- Direct

### ➤ Project Cost Accounting System

### ➤ Timekeeping System

- Timesheets created and submitted by employees
- Approvals by management
- Controls to track and preserve corrections/changes

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## Consultant Financial Report (CFR)

- Current CFR required for Roster of Eligible Consultants
- Current CFR required to negotiate solicited prime contracts, small purchase/sole source >\$75K and subcontracts >\$75K
- CFR always required for cost plus fixed fee contracts
- Google: "WisDOT Consultant Financial Report"
- <https://wisconsindot.gov/Pages/doing-bus/eng-consultants/cnslt-rgistr/fncl-rpt.aspx>

# **34TH ANNUAL DBE WORKSHOP & SECRETARY'S GOLDEN SHOVEL AWARDS**



## **Consultant Financial Report**

- **Submitted annually within 5 months of FY end**
- **Consultant cost certification**
- **Indirect Cost Rate Schedule**
- **Financial statements**
- **Internal Control Questionnaire**
- **Executive Compensation Analysis**
- **Direct cost disclosures**
- **Accounting/Administrative policies**



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**Don't forget to fill out the  
evaluation for this session.  
These evaluations help shape  
future events,  
Thank You.**

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