

Consultant Selection for Airport Improvement Program (AIP) Projects

Margie Drilling, Airport Planner
Los Angeles Airports District Office

Abel Tapia, Program Manager
San Francisco Airports District Office

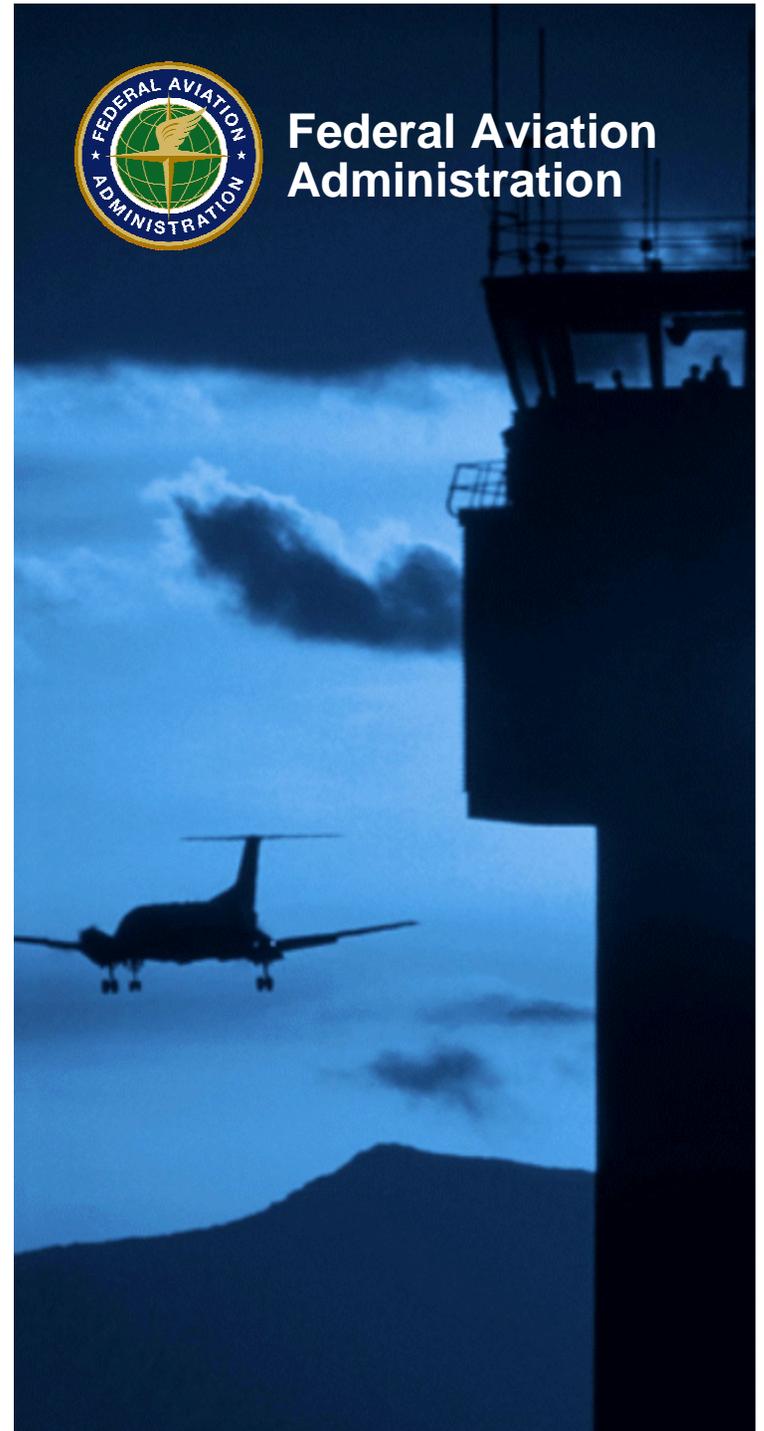
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**Federal Aviation
Administration**



- **RULE #1:**

- DO NOT ASSUME ANYTHING

- **RULE #2:**

- BEGIN COORDINATION EARLY
WITH FAA



Coordination with Program Manager/Planner

- To avoid misdirected efforts and costs, discuss funding availability; AIP funding is not guaranteed.
- Sponsors are expected to incur preliminary costs for both engineering and planning formulation until a grant is executed. Costs are then reimbursable.
- Specifically planning and environmental projects, sponsors are to select their consultant and complete fee negotiations prior to receipt of grant execution with grant amount based on the negotiated fee.



Sponsor's Responsibility

- The consultant is an agent of the sponsor.
- FAA is not a party to the sponsor/consultant contract
- On an Environmental Impact Statement (EIS), FAA personnel will be a participant in the consultant selection process.
- Appendix C of the AC contains a list of professional societies for potential sources.



Consultant Selection For Airport Improvement Program (AIP) Funded Projects

Follow FAA Advisory Circular (AC) 150/5100-14D

- *Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects, 30 September 2005*

Following the AC assures compliance with:

- 49 CFR 18.36(t); 49 USC 47107(a) 17; and
- Title IX of the Federal Property and Administrative Services Act of 1949



Planning Services Versus A/E Services

Due to differences between planning and environmental type projects versus airport development projects.....

- Sponsors are strongly encouraged to procure the services of Aviation Planning Services and Architectural Engineering Services through **separate** solicitations.



CATAGORIES OF ADVERTISEMENT

PLANNING SERVICES

- AIRPORT SYSTEM STUDIES
- MASTER PLANS/ALP DEVELOPMENT
- SITE SELECTION STUDIES
- FEASIBILITY STUDIES
- PART 150, AIRPORT NOISE COMPATIBILITY
- ENVIRONMENTAL (EA, EIS)



CATAGORIES OF ADVERTISEMENT

ARCHITECTURAL/ENGINEERING (A/E) SERVICES

- Basic A/E services required for airport development projects
- Services of an Architectural, Civil, Geotechnical, Structural, Mechanical and Electrical Engineering nature
- Special services: soils investigation; land surveys; aerial mapping; property maps (Exhibit A); construction management and inspection



RFQ/Solicitations - Qualifications Based

- Requires that a contract for A/E services be awarded pursuant to a fair and open selection process.
- Should assure broad circulation when hiring professional consultant. Acceptable measures include public announcements in:
 - **Local and regional advertisements**
 - **National Trade Journals (i.e. AirportReport) and magazines**
- Solicitations/RFQ's in addition to public announcements, may also be sent directly to known firms.
- Affirmative steps shall be taken to notify small and minority owned businesses of potential federally funded work.



Procurement for Multiple Grant Projects

Procurement for several grant projects through one procurement action is allowed, provided the following conditions are met:

- Parties must be advised the work is expected to be accomplished during the course of several grant projects.
- Expected **schedule of projects must defined, together** with Scope of Work and required services.
- Parties must be advised that some of the services may not be required.



Procurement for Multiple Grant Projects

- Sponsor reserves the right to initiate additional procurement action for any of the services included in the initial procurement.
- The services must be limited to those that can **reasonably (realistically)** be expected to be initiated within five (5) years of the date that the contract is signed.
- Negotiation of contractual fees is limited to the services expected under the initial grant .
- Any new project not listed in the original solicitation will require NEW RFQ.



Sponsor's Selection Organization - Overview

- The typical procedure for selecting a consultant is to use a selection board composed of at least three persons (AC Section 2-5.b.)
- At least one being an engineer, airport planner, or other professional knowledgeable of the service required.
- Expand board when project has special requirements or complexities.
- The Board: 1) evaluates consultants 2) conducts interviews (as required) 3) makes recommendation on selection of consultant firm based on selection criteria.



Procedures for Selection of Consultants – Step 1

Develop proposed **scope of services** and a list of **selection criteria** used to evaluate potential consultants (AC Section 2-7)

CRITERIA:

- Should be based on the sponsor's goals and objectives.
- Must be appropriate for the proposed scope of services

Examples of suggested criteria include:

- Professional Qualifications, experience and availability
- Knowledge of FAA regulations, policies and procedures
- Current workload and demonstrated ability to meet schedules.
- Capability of the branch office to do the work.
- Consultant staff assigned to the project.
- Ability of consultant to meet with sponsor on short notice.



Alternate Selection Procedures - Step 2

Under AC Section 2-9

Informal Procedures

a) Procurements under \$100K

- Sponsor must consult with FAA before using this procedure to justify their use.
- Sponsor must call at least 3 firms and discuss their qualifications to perform the work based on a detailed Scope of Work or Services based on selection criteria. (FAA may require an independent fee estimate)
- Sponsor can then proceed with negotiations with the best qualified firm.
- After selection, the sponsor must submit a statement to the FAA explaining the basis for the selection and method used to determine reasonableness of fee

b) Procurements under \$10K

- Non-competitive selection may take place



Procedures for Selection of Consultants - Step 3

- a) Sponsor creates a “Selection Board” to review responses to the RFQ.
- b) Board applies their selection criteria and evaluation system to develop a short-list of best qualified consultants for further consideration (AC Section 2-8.g.)
 - The consultant is the sponsor’s agent and FAA is not a party to the sponsor/consultant contract
- c) A general project proposal is obtained from each of the short-list consultants by issuing a Request for Proposal (RFP) to each of the consultants (AC Section 2-8.j.)

Procedures for Selection of Consultants

The **RFP** should include:

- A detailed description of the project and proposed scope of services required.
- Identify the selection criteria and their relative importance; and

Must not request any cost information such as total cost, cost per hour, work hour estimates or other pricing data.

Procedures for Selection of Consultants - Step 4

- a) Conduct interviews with short listed firms applying selection criteria and rank firms in order of preference (optional, at the Selection Board's discretion). Telephone interviews may be sufficient for small projects.
- b) Initiate discussions with the first-ranked consultant to fully define the scope of work and services to be provided (reference AC Section 2-11 for a discussion on Scope of Services)
- c) Consultant then submits a cost proposal together with a detailed project proposal.



Procedures for Selection of Consultants

- d) Sponsor submits a “**Selection Report**” to FAA, detailing recommended selection. Report should contain sufficient enough detail to indicate the extent of the review and the considerations used for the recommendation.**
- e) Identify and separate ineligible work from eligible project items.
- f) Sponsor performs their own independent estimate as a basis for negotiation with the first-ranked consultant to obtain a fair and reasonable cost. (Section 2-12)
- g) Conduct negotiations with first-ranked consultant to reach a fair and reasonable fee.



Independent Fee Estimate

FAA encourages sponsors to hire an independent firm to perform the fee estimate. **If an independent engineering firm is hired to perform the fee estimate:**

- 1) They may be hired using informal procedures
- 2) They will not be eligible for consideration for work on the project.
- 3) They may not be on the sponsor's pre-selection short-list.
- 4) They may be consulted the by sponsor during actual negotiations, but not to review the consultant's fee proposal or attend any negotiating sessions.



Independent Fee Estimate

- Sponsor can develop their independent estimate using qualified in-house staff.
- Cost of the independent firm is a reimbursable project formulation expense and should be included in the grant application.



Negotiations – Consultant’s Proposal

Submitted cost proposal and detailed project proposal should include:

- A breakdown of costs based upon the previously agreed upon scope of services including cost for:
Subcontractors – Travel – Reproduction – Out of pocket expenses
 - A detailed estimate of hours and cost required for each major task.
- > Negotiations should be based upon an evaluation of the specific work hours required for each task.

Negotiations – Sponsor’s Analysis

- > If mutually satisfactory contract cannot be negotiated with the first-ranked consultant, terminate negotiations and initiate negotiations with the second-ranked consultant.
- > Sponsor cannot reopen negotiations with the first firm once the negotiations are terminated.
- > The sponsor must prepare and retain a comprehensive “**Record of Negotiations**” (AC Section 2-13.e.) with a copy submitted to FAA for the official grant file. See Appendix H for “Sample”



Selection Procedures for Environmental Impact Statement (EIS) Preparation

- FAA as lead agency must select Environmental Impact Statement (EIS) contractors per 40 CFR 1506.5(c).
- If the action could cause “significant impacts”, FAA personnel should select consultant for Environmental Assessment per FAA Order 5050.4b, paragraph 703.
- FAA’s involvement in negotiations is limited to making a reasonableness determination once a satisfactory cost proposal has been reached between the sponsor and the consultant.



Contract Provisions

The contract between sponsor and consultant is based on the scope of services established earlier in the process and involves carrying out professional duties under the requirements of law.

Mandatory Federal Contract Provisions

- > Reference AC Section 3-4, Table 3-1 and the FAA website at http://www.faa.gov/airports_airtraffic/airports/aip/procurement/federal_contract_provisions/
- > These provisions must also be included in all subcontracts.
- > Contract checklist included in AC Section 3-7

Sponsor Certification

FAA Airports Offices are authorized to accept the Sponsor's certification that:

- The sponsor will comply with statutory and administrative requirements for selection of Planning and A/E Consultants.

Terms And Conditions Of Accepting Airport Improvement Program Grants, January 2007, that:

- Each airport sponsor will sign, and which will remain on file and incorporated, by reference, in each Grant Agreement
- This document includes (as Section I.A.) a *Sponsor Certification for Selection of Consultants*
- Excerpts of the first 2 pages of the document, including Section I.A., are reproduced as follows:



January 2007

*U.S. Department
of Transportation*
**Federal Aviation
Administration**

**Terms And Conditions Of Accepting
Airport Improvement Program Grants**

Sponsor: *(Insert Airport Sponsor Name)*

Airport: *(Insert Airport Name)*

- This document contains the terms and conditions of accepting Airport Improvement Program (AIP) grants from the Federal Aviation Administration (FAA) for the purpose of carrying out the provisions of Title 49, United States Code. These terms and conditions become applicable when the sponsor accepts a Grant Offer from the FAA that references this document. The terms and conditions may be unilaterally amended by the FAA, by notification in writing, and such amendment will only apply to grants accepted after notification.
- **I. Certifications**
- Section 47105(d), Title 49 of the United States Code authorizes the Secretary to require certification from sponsors that they will comply with statutory and administrative requirements. The following list of certified items includes major requirements for this aspect of project implementation. However, the list is not comprehensive, nor does it relieve sponsors from fully complying with all applicable statutory and administrative standards. In accepting a grant, the sponsor certifies that each of the following items will be complied with in the performance of grant agreements. If a certification cannot be met for a specific project, the sponsor must fully explain in an attachment to the project application.



A. Sponsor Certification for Selection of Consultants

General procurement standards for consultant services within Federal grant programs are described in 49 CFR 18.36. Sponsors may use other qualifications-based procedures provided they are equivalent to specific standards in 49 CFR 18 and Advisory Circular 150/5100-14.

1. All advertisements will be placed to ensure fair and open competition from a wide area of interest.
2. For any and all contracts over \$25,000, consultants will be selected using competitive procedures based on qualifications, experience, and disadvantaged business enterprise requirements with the fee determined through negotiation.
3. An independent cost analysis will be performed, and a record of negotiations will be prepared reflecting the considerations involved in the establishment of fees for all engineering contracts with basic service fees exceeding \$100,000.
4. If any services are to be performed by sponsor force account personnel prior approval must be obtained from FAA.
5. All consultant services contracts will clearly establish the scope of work and delineate the division of responsibilities between all parties engaged in carrying out elements of the project.
6. All costs associated with work ineligible for AIP funding will be clearly identified and separated from eligible items.
7. All mandatory contract provisions for grant-assisted contracts will be included in all consultant services contracts.
8. If any contract is awarded without competition, pre-award review and approval will be obtained from FAA.
9. Cost-plus-percentage-of-cost methods of contracting prohibited under Federal standards will not be used.
10. If services being procured cover more than a single grant project the scope of work will be specifically described in the advertisement, and future work will not be initiated beyond five years.



When in doubt, call your FAA Program Manager and/or Airport Planner

Questions?

(310) 725-3628

Margie.drilling@faa.gov

Airport Planner, Los Angeles Airports District Office

(650) 876-2778 ext 621

Abel.tapia@faa.gov

Program Manager, San Francisco Airports District Office

