



Section 300 – Procurement of Professional Services

This section of the AIP Sponsor Guide summarizes the steps normally required to select a consultant to provide professional planning, environmental, and architectural/engineering (A/E) services for projects funded under the FAA's Airport Improvement Program (AIP).

As a condition of AIP eligibility, sponsors must carry out their consultant selection process and conduct contract negotiations in accordance with [Advisory Circular 150/5100-14, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects](#). This AC establishes FAA standards for the selection and contracting of professional services. Adherence to this AC will assure a sponsor's compliance with the applicable Federal laws and regulations identified therein. Sponsors that fail to adhere to the applicable requirements could likely jeopardize AIP participation in the cost of professional services.

The information provided herein supplements the guidance provided in the AC; it does not establish additional requirements for participation in the AIP. In the event there is a discrepancy between this guidance and current AIP policy, AIP policy shall always take precedence.

Qualifications Based Selection (QBS) Process

Consultants shall be selected only on the basis of their qualifications and experience. Selection based on cost is prohibited. Costs can only be discussed after a consultant has been selected. The major steps of the qualifications-based selection process are depicted in Figure 2-1 of the AC and outlined as follows (with the numbers in parenthesis referring to the associated section in the AC):

1. Identifying the Project(s) and Professional Services
2. Establishing a Selection Board (2.6)
3. Determining a Selection Policy (2.7)
4. Developing the Selection Criteria (2.8)
5. Soliciting, Evaluating, and Selecting a Consultant (2.9)
6. Developing and Executing the Consultant Agreement (2.12 to 2.14)

Formal, Informal, and Non-Competitive QBS Procedures

There are three types of QBS procedures: Formal, Informal, and Non-competitive. As most sponsors are required to use Formal procedures, the AC and this section of the Sponsor Guide are geared toward that procedure. Formal procedures are required when the cost of professional services is estimated to be \$100,000 or more, when the selection addresses multiple projects, or when requested by the FAA Program Manager. Informal procedures can be used if the cost of professional services is estimated to be less than \$100,000. Non-competitive procedures can be used if the cost of professional services is estimated to be \$10,000 or less and those services are incidental to the project. Requirements for the Informal and Non-competitive procedure are identified in paragraphs 2.10.2 and 2.10.3, respectively.

Step 1. Identifying the Project(s) and Professional Services



Sponsors have the option of selecting a consultant for a single project or several projects under one solicitation with the intent of issuing future work authorizations as funding becomes available. For an efficient consultant selection process, we recommend the multiple-project option and as such, have written this section of the Sponsor Guide for that option.

Five-year Agreements

Selecting a consultant for multiple projects over a five-year period is the preferred option for most sponsors because they can make a one-time consultant selection rather than having to perform the consultant selection process for each project. For a multiple-project selection, most consultants utilize a master agreement under which separate authorizations or task orders are issued for each project. Per the AIP Handbook and the AC, a sponsor cannot extend a master agreement beyond five years of the execution date of first task order.

The proposed projects are those the sponsor and FAA reasonably expect to start within five years of the execution date of the initial/first agreement. The list of proposed projects should be those drawn from the sponsor's 5-Year CIP and Airport Master Plan. Section 5-4 of the AIP Handbook provides some guidance on identifying potential projects early with the FAA. In identifying the project(s), the sponsor should develop at a minimum:

- name for each project,
- broad project scopes with sufficient detail to give prospective consultants an adequate understanding,
- probable year the projects are expected to start,
- anticipated professional services required, and
- estimated cost for each construction/equipment/land acquisition project.

The professional services required will depend of the scope of the projects. Refer to Chapter 1 of the AC for the types of planning, architectural/engineering, and special services that may be required. After a consultant has been selected, the project's scope and the types of professional services for each project will be further defined. We strongly encourage sponsors to contact the FAA Program Manager prior to soliciting for professional services. This coordination is beneficial towards 1) establishing the limits of AIP participation, 2) limiting the sponsor's actions that may lead to subsequent ineligible determinations, and 3) providing assurance that the potential projects listed in the Notice/RFQ correspond to the projects listed in the FAA's Airport Capital Improvement Plan (ACIP).



Selections for Planning and Development Projects – Keep them Separate

When a sponsor wants to complete planning and development projects, separate consultant solicitations are required. Chapter 1 of the AC defines the services required for these types of projects but in general, the difference between them is as follows:

Planning Projects	Development Projects
Require airport planning and environmental services for airport system and master plans, airport noise compatibility plans, environmental assessments, and related studies.	Require basic A/E services for airport development (construction and equipment acquisition) and land acquisition projects. Generally involves architectural, engineering (design, bidding, and construction observation), and land acquisition services.

By not performing separate selections, the sponsor may be eliminating otherwise qualified firms as some do not provide both planning and engineering services. In addition, there may be a potential conflict of interest if, for example, the consultant is providing both planning and A/E services and in updating the airport master plan their objectivity "...may be compromised [as] the firm is in a position to establish development objectives for which the same firm will be tasked with engineering design services" per paragraph 2.3.3 of the AC. The development projects may be in their best interest; not the sponsors.

Step 2. Establishing a Selection Board

In accordance with Section 2.6, sponsors must establish a selection board composed of at least three knowledgeable persons that will objectively evaluate those consultants who respond to the Notice/RFQ. The selection board must be established before receiving statements of qualifications. The selection board should become familiar with the proposed project(s) and the professional services being requested. In accordance with Section 2.9, the selection board should be prepared to review the statements of qualification and experience, conduct interviews, rank the consultants, and make a recommendation to the sponsor's governing body.

Step 3. Determining a Selection Policy

Section 2.7 of the AC provides general requirements for selecting a consultant.

Step 4. Developing the Selection Criteria

Section 2.8 of the AC provides general requirements for developing selection criteria.

Step 5. Soliciting, Evaluating, and Selecting a Consultant

This step includes the following tasks:

- Preparing a draft Notice to Airport Consultants/Request for Qualifications (2.9.3);
- Drafting and distributing the Notice/RFQ (2.9.3 and 2.9.4); and
- Evaluating, ranking, and selecting the most qualified consultant (2.9.12).



Task 5.a. Prepare a draft Notice to Airport Consultants/Request for Qualifications

To obtain qualification and experience information from potentially qualified consultants for the proposed projects, the sponsor issues a Notice/RFQ inviting consultants to submit their Statement of Qualifications (SOQ). At a minimum, the Notice/RFQ must:

- Identify the airport where the proposed projects are planned.
- Describe the proposed projects “...in sufficient detail so that all parties may adequately establish the type of services required to accomplish the work” per paragraph 2.7.2 of the AC.
- Provide the year in which each proposed project is anticipated to begin.
- Provide an estimated construction cost for each project.
- Identify the services anticipated.
- Convey how the selection will be made.

Task 5.b. Drafting and distributing the Notice/RFQ

We recommend first submitting a draft version for FAA review. If necessary, revise the Notice/RFQ to address FAA comments and then advertise/distribute the Notice/RFQ in accordance with paragraphs 2.9.3 and 2.9.4. Provide a copy of the as-advertised version of the Notice/RFQ to the FAA.

Task 5.c. Evaluating, ranking, and selecting the most qualified consultant

Section 2.9 of the AC provides general requirements for evaluating consultants. Sponsors should not enter into the selection process with a pre-selection mentality. Although the FAA cannot participate in the selection process or recommend consultants, we can provide a list of consultants who have performed similar projects if requested by the sponsor.

Step 6. Developing and Executing the Consultant Agreement

This step of the consultant selection process includes the following tasks:

- a. Discussing and finalizing the scope of Professional Services (2.12),
- b. Estimating and evaluating the cost of Professional Services (2.13),
- c. Requesting the consultants cost proposal (2.14.2), compare it against the sponsor’s estimate (the IFE) (2.14.3), and conducting negotiations (2.14.4).



Task 6.a – Discussing and finalizing the scope of Professional Services

Before preparing and executing the agreement with the Consultant, we recommend sponsors conduct a conference with their Consultant and the FAA Program Manager to develop a detailed project scope, clearly define the professional services needed, and identify the fee type. The FAA’s role here is to ensure that all services required for the projects have been included in the professional services agreement.

Using the minutes of the conference, the Consultant can develop the draft scope of services (or draft agreement without costs) for the sponsor and FAA to review. After the revised document has been submitted to the sponsor, the sponsor can start their costs analysis. Section 3.8 of the AC provides information on the FAA’s role in reviewing agreements.

Task 6.b – Estimating and evaluating the cost of Professional Services

Before receiving the Consultant’s cost proposal, the sponsor must perform a cost analysis to estimate and evaluate the proposed cost of professional services. To perform the cost analysis, the sponsor can utilize its own staff (if they have experience in estimating and negotiating the cost of professional services) or select an outside consultant. The FAA cannot conduct the cost analysis for the sponsor. As part of the cost analysis, the sponsor prepares an independent fee estimate (IFE) to evaluate and negotiate the cost of professional services proposed by the Consultant. The end result of the cost analysis effort is the sponsor obtaining a fair and reasonable cost through negotiations with the Consultant.

Regardless of who performs the cost analysis, it needs to be performed using one of two methods: the comparative method or the detailed method. The selection of which method depends on the anticipated cost of the professional services agreement as follows:

- If the cost is anticipated to be less than \$100,000, the sponsor can perform the cost analysis using the comparative method or detailed method (your choice).
- If the cost is anticipated to be \$100,000 or more, the sponsor must use detailed method.

Sponsor’s cost estimate is “independent” of the Consultant’s

The word independent in the phrase Independent Fee Estimate does not mean the sponsor has to hire an outside consultant to review the proposed scope of services and develop a cost estimate. It simply means the sponsor estimates the cost of the professional services independent of the Consultant’s effort of preparing their cost proposal.

The Consultant shall not provide their cost proposal to the sponsor until the sponsor has first estimated the cost of the professional services and then requests the cost proposal from the Consultant. Otherwise, the sponsor knows what the proposed cost is before they start/complete their cost analysis and the process is no longer independent.

Table 3-1 presents the comparative and detailed methods and the steps required for each. For a visual representation of the cost analysis process, refer to **Figure 3-1**.



Table 3-1. Cost Analysis Methods

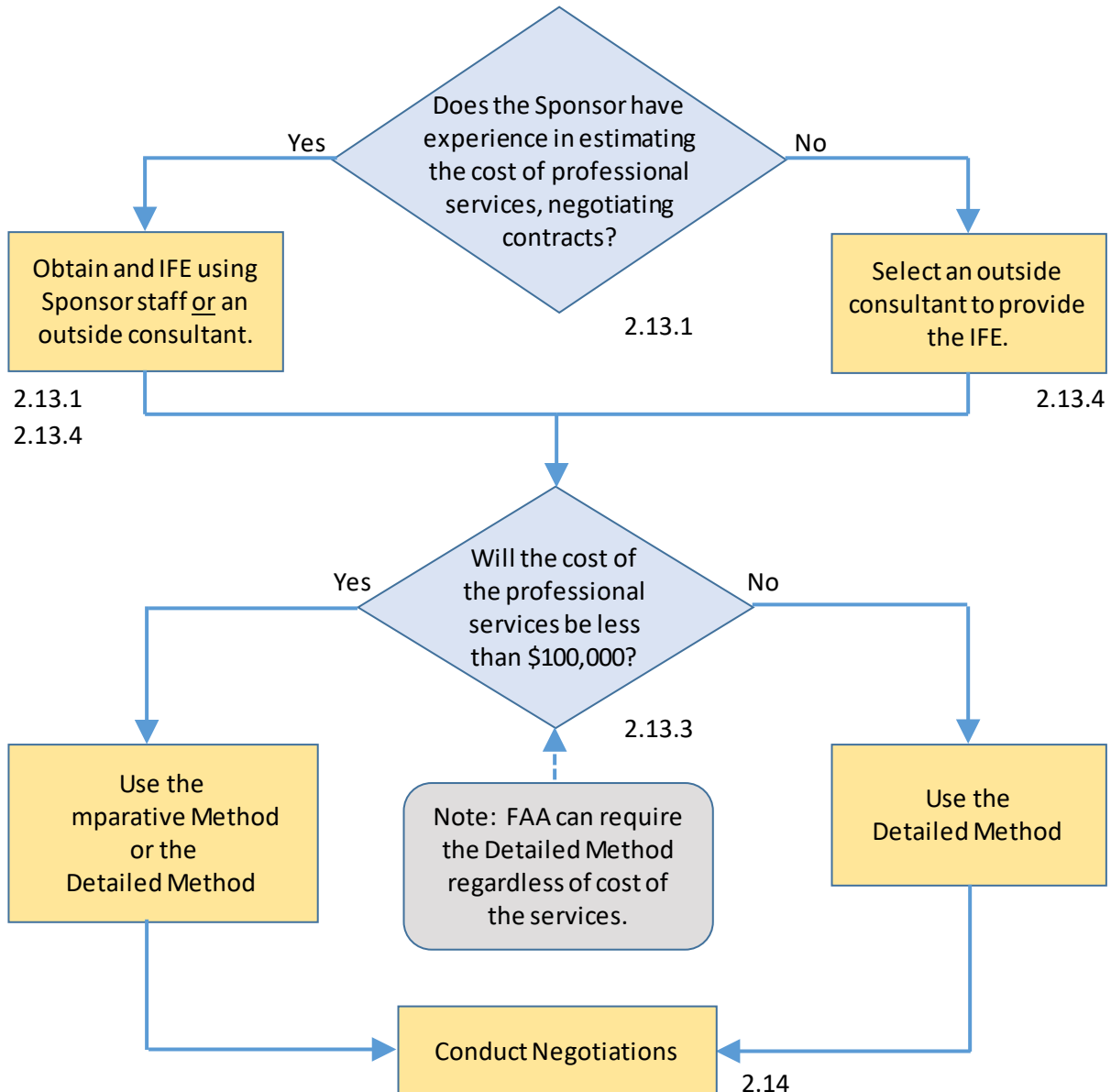
Proposed Cost	Less than \$100,000	\$100,000 or greater
Perform	Comparative Method Cost Analysis	Detailed Method Cost Analysis
Description	The sponsor compares the proposed cost of the professional services against the cost of previous agreements. At least one previous agreement should be for a similarly-sized project.	The sponsor prepares a side-by-side comparison of their estimated cost of the professional services and the consultant's cost proposal.
Step 1	Prepare the Independent Fee Estimate (IFE). This estimate should include the total cost and the subtotal cost of each service being provided. At a minimum, the sponsor must estimate the following items in their IFE: <ul style="list-style-type: none">• total direct labor hours and cost,• general/administrative overhead (%),• profit (%),• expenses, and• subconsultant costs	The Comparative Method plus estimates of the hours, hourly rates, and costs for the individual tasks of the services being provided similar to the format presented in Appendix D of the AC.
Step 2	Request the cost proposal from Consultant. The cost proposal format should be similar to that presented in Appendix D of the AC.	Same as Comparative Method.
Step 3	Evaluate the cost proposal against the IFE and conduct negotiations.	Evaluate the cost proposal against the IFE (using a format similar to the format presented in Appendix E of the AC) and conduct negotiations.

Step 6.c – Requesting the consultants cost proposal (2.14.2), comparing it against the IFE (2.14.3), and conducting negotiations (2.14.4).

Section 2.14 of the AC provides general requirements for negotiating. After the sponsor has completed its cost analysis and concluded negotiations with the Consultant, the FAA will review the agreement, the detailed cost proposal, and the record of negotiations (if requested) to make a determination on the reasonableness of cost. This determination is based on the sponsor's IFE. Costs that are deemed unnecessary and unreasonable are not AIP Eligible. This step is depicted in **Figure 3-2**.



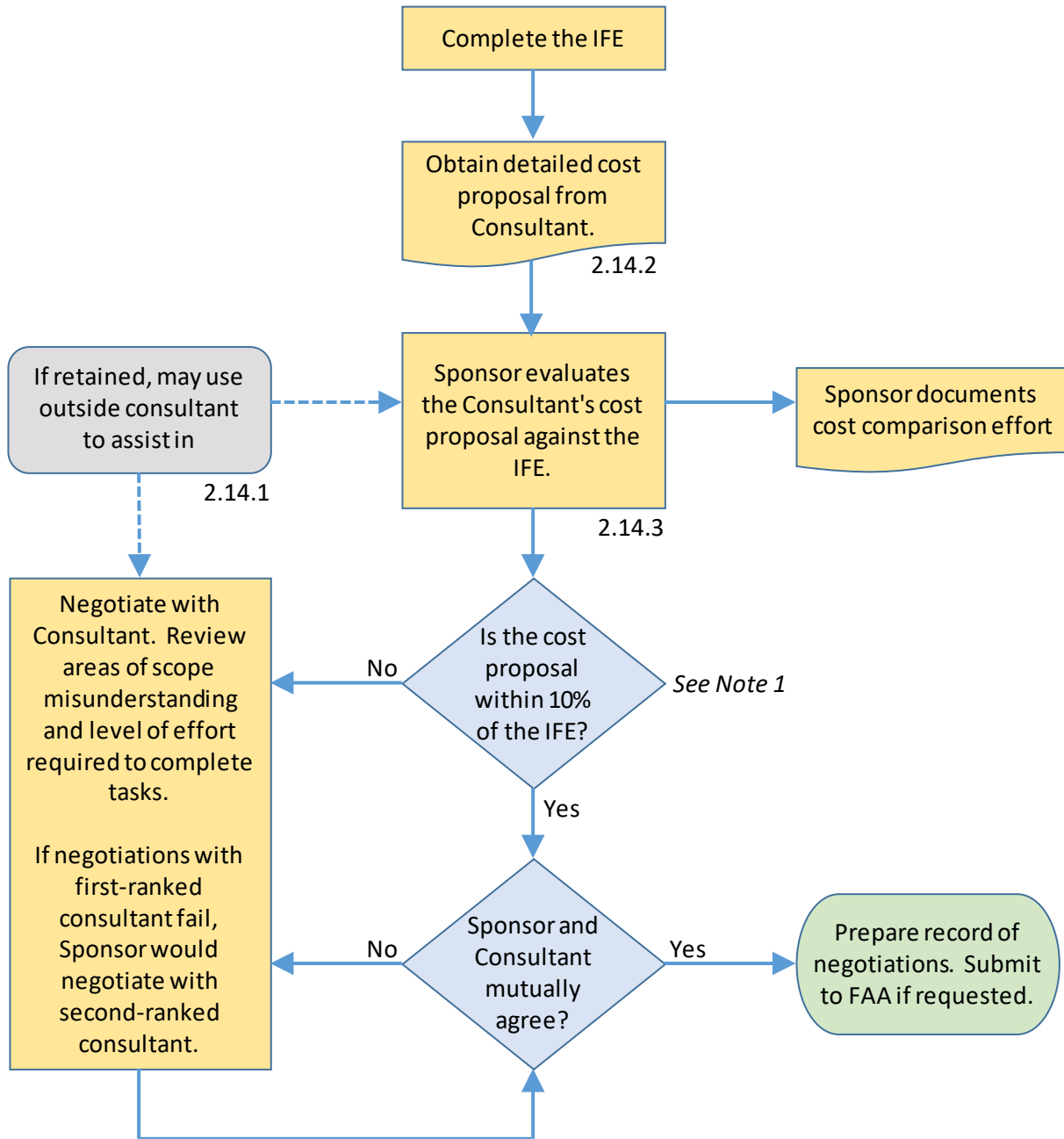
Figure 3-1. Cost Analysis Process



Note. The numbers adjacent to each symbol refer to the associated paragraph(s) in AC 150/5100-14E.



Figure 3-2. Negotiations Process



Note 2. The numbers adjacent to each symbol refer to the associated paragraph(s) in AC 150/5100-14E.