Selected Shorts Video Series

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A&E Consultant Contracts:

Independent Cost Estimate (ICE) and Cost Analysis

Video 3 – Quick Review (General Overview)

Caltrans
Division of Local Assistance
A video on Independent Cost Estimate and Cost Analysis worksheets are available separately. This video was created to help provide a refresher on the steps involve in procuring an engineering or design-related services using competitive method.

At this point the local agency had identified the project and the need for an A&E consultant service. Eligible federally funded projects are listed in the FTIP or Federal Transportation Improvement Program.

When the project elements such as scope of work, schedule, and costs are decided and finalized, the local agency can proceed with advertising for a consultant service.

Upon receipt of the proposals, the local agency evaluates and ranks the proposers based on qualification criteria listed in the solicitation. This process is also known as the Qualification Based Selection or QBS.

The local agency selects the top ranked consultants.

Local agency develops an Independent Cost Estimate or ICE. Independent Cost Estimate must be completed prior to requesting a cost proposal. The Independent Cost Estimate contains a breakdown on the work and tasks involved in the project.

Local agency request for a cost proposal from the highest ranked consultant.

Upon review of the cost proposal the local agency performs a cost analysis to determine if the cost is fair and reasonable. The Local agency reviews the Statement of Work and refines the ICE as needed.

If the cost proposal is determined to be fair and reasonable, the local agency and consultant can enter into final negotiation. The Local agency adjusts the costs based on the agreed upon hours and price negotiated.

The contract is finalized and awarded to the most qualified consultant.

Let us recap the procurement process. The local agency begins by identifying the project, followed by an advertisement, evaluation of consultant qualifications and ranking the top three consultants. The local agency prepares a detailed independent cost estimate that must be done prior to requesting a proposal. Local agency requests the proposal starting with the highest-ranked consultant, perform cost analysis, enter into a negotiation, and finally award the contract.

This concludes this short video on the competitive procurement process. Please see Introduction to Worksheets to help you get familiarize with the components of Independent Cost Estimate and Cost Analysis worksheets.
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A&E Consultant Contracts:
ICE/Cost Analysis – Quick Video (Video 3)

References:
Caltrans Division of Local Assistance Main Website
https://dot.ca.gov/programs/local-assistance

Visit the A&E Resources website to find the latest tools, resources and guidance for A&E consultant contracts.
Consultant Selection and Procurement | Caltrans

23 CFR, Part 172 Administration of Engineering and Design Related Service Contracts
(23 CFR 172.7(a)(1)(v)
https://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=23:1.0.1.2.3
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**A&E Consultant Contracts:**
ICE/Cost Analysis – Quick Video (Video 3)

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Local Assistance Consultant Selection and Procurement Webpage

[http://www.dot.ca.gov/hq/LocalPrograms/AE/index.htm](http://www.dot.ca.gov/hq/LocalPrograms/AE/index.htm)

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