STATE OF CALIFORNIA
Department of Transportation

STATEMENT OF QUALIFICATIONS SUBMITTAL INSTRUCTIONS AND
GENERAL CONTRACT PROCESS INFORMATION

Read carefully as the following revisions were made to this document:

o Affected on 4-15-19:
  • Section I. Definitions, adding definition of Vendor
  • Section II. Requirements for Statement of Qualifications (SOQs), Section 1–Transmittal Letters/Goal Documentation was revised to include Vendor.

o Affected on 10-19-18:
  • Section I. Definitions, adding definition of Supplier and Vendor
  • Section II. Requirements for Statement of Qualifications (SOQs), Section 1– Transmittal Letters/Goal Documentation was revised to include Vendor.
  • New Section XII, Changes to Team Composition was created to address changing team members prior to contract execution.

o Affected on 4-03-18:
  • Section II, Requirements for SOQs, Subsection D was revised for clarification
  • Section VI, Post-Government Employment Restrictions, was revised for clarification

Note: A copy of the selected consultant’s Statement of Qualifications (SOQ) will be included as an attachment to the executed contract.
I. DEFINITIONS

A. **Caltrans** means the State of California, Department of Transportation.

B. **Architectural and Engineering (A&E)** services include all architectural, landscape architectural, environmental, engineering, land surveying, right of way engineering, construction engineering, construction management and project management services, as well as incidental services that members of these professions and those in their employ may logically or justifiably perform, in support of the aforementioned services, including permitting and environmental studies, design phase services, construction phase services, public outreach and meeting facilitation related to the foregoing (as defined in section 1520.1(e) of the California Code of Regulations, Title 21).

C. **Prime Consultant/Proposer** means the individual or firm providing engineering and design related services as a party to a contract with a recipient or subrecipient of Federal assistance (as defined in 2 CFR 200.86 or 2 CFR 200.93, respectively).

D. **Subconsultant** means the individual or firm contracted by a consultant to provide Architectural and Engineering and design related or other types of services that are part of the services which the consultant is under contract to provide to a recipient (as defined in 23 CFR 200.86) or subrecipient (as defined in 2 CFR 200.93) of Federal assistance.

E. **Agreement** also means Contract.

F. **Firm** means any individual, firm, partnership, corporation, association, or other legal entity permitted by law to practice the professions of architecture or engineering, as defined in section 1520.1(e) of the California Code of Regulations, Title 21. It also means any bidder, proposer, consultant, or offeror participating in a competitive solicitation or contracting process.

G. **Small business** firm is a firm certified as a “small business” in accordance with Government Code Section 14837 or its successor provisions.

H. **Work Codes** indicate the types of work DBE firms are certified to perform.

I. **RFQ** is an acronym for Request for Qualifications, the solicitation document used to request a Statement of Qualifications of firms that perform A&E services.

J. **SOQ** is an acronym for Statement of Qualifications, the response to an RFQ submitted by firms that perform.

K. **Vendor** is an individual, sole proprietorship, firm, partnership, corporation, or any other business venture that provides a service that is routine and commodity-like, and therefore the services can be procured from many sources and the vendors providing these services can be readily substituted for one another.
The table below is a guide for prime consultants to determine whether the company that is contributing to the contract is a subconsultant or a vendor. In both instances, a prime consultant cannot apply its overhead, profit, or indirect cost rates to services provided by a subconsultant or a vendor. These services must be invoiced to Caltrans as direct costs.

<table>
<thead>
<tr>
<th>Description</th>
<th>Subconsultant</th>
<th>Vendor</th>
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<tbody>
<tr>
<td>Work performed</td>
<td>• Performs a key portion of the scope of work/objectives of the program.</td>
<td>• Does not participate and/or collaborate in project design/proposal development.</td>
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<td></td>
<td>• Performs analysis or evaluation involving substantial discretionary judgment.</td>
<td>• Performs services such as traffic control, simple testing, potholing and other routine and commodity-like services. Services do not include a significant amount of analysis or evaluation that involve substantial discretionary judgment.</td>
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<td></td>
<td>• Collaborates on design.</td>
<td>• Services are part of the vendor’s regular business operations and are available to many different purchasers/customers at standard/fixed rates. Services are more routine in nature.</td>
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<tr>
<td>Personnel</td>
<td>• Key personnel is identified.</td>
<td>• Vendor can only utilize the rate sheet without hourly labor rates.</td>
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<td></td>
<td>• Qualifications are included in the proposal and considered during the peer evaluation.</td>
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<tr>
<td></td>
<td>• Change in personnel may require prior approval.</td>
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<tr>
<td>Technology Transfer</td>
<td>• Potential for patentable or copyrightable technology to be created through project; Caltrans has the right to protect technology</td>
<td>• No potential for patentable or copyrightable technology to be created through project</td>
</tr>
<tr>
<td>Compliance to federal regulations</td>
<td>Compliance requirements of prime are passed through to the subconsultant.</td>
<td>• Provides a service outside program compliance requirements, services might be in a lab or testing</td>
</tr>
<tr>
<td>Compliance to state regulations</td>
<td>• Services might be subject to California’s Prevailing Wage Law.</td>
<td>• Services might be subject to Prevailing Wage Law</td>
</tr>
</tbody>
</table>
II. REQUIREMENTS FOR STATEMENTS OF QUALIFICATIONS (SOQs)

A. If a SOQ does not meet all the requirements, it may be considered non-responsive and eliminated from further consideration. To be responsive, the consulting firm must comply with all minimum proposal requirements set forth in this document and the RFQ Notice. Caltrans may reject any SOQ if it is conditional, incomplete, or contains irregularities. Caltrans may waive immaterial deviations and the SOQ may be evaluated based on the information provided when considered to be in the best interest of the State. Waiver of an immaterial deviation shall in no way modify the RFQ requirements or excuse the consulting firm from full compliance with the Agreement requirements. After the final filing date and time for submission of SOQ, each SOQ will be opened and examined to determine compliance with the submittal requirements.

B. SOQs must be in the following format:

SOQs to be bound on the 11” side – binding style to be determined by submitter.

1. Paper size to be 8-1/2” x 11” (except the organizational chart). Font size used for all documents (except the organizational chart) to be a minimum of 8 point.

C. SOQs are to be tabbed and labeled into seven (7) sections and shall contain the following information:

Section 1 – TRANSMITTAL LETTERS/GOAL DOCUMENTATION

A. Prime Consultant Transmittal Letter. List all firms (prime consultant, subconsultants, suppliers and vendors); the services they will provide with the percentage (best estimate) of utilization for each firm and indicate whether or not each firm is subject to prevailing wage requirements by the California Department of Industrial Relations (DIR). An individual authorized to obligate the firm or joint venture must sign the prime’s transmittal letter. The prime consultant transmittal letter is limited to three (3) pages.

B. Subconsultant and Vendor Transmittal Letter. The subconsultant and vendor shall state their commitment to the prime consultant’s firm, indicating the specific portion of the work to be performed by their firm. The person signing the transmittal letter must be authorized to obligate the firm. Each subconsultant and/or vendor transmittal letter is limited to one (1) page.

C. The signatures affixed to and dated on the prime and subconsultant, and vendor transmittal letters shall constitute a certification under penalty of perjury under the laws of the State of California that the proposer has, unless exempted, complied with State nondiscrimination program requirements (see Americans with Disabilities Act under Section IX. MISCELLANEOUS). The prime consultant shall provide a contact name, mailing address, email address, and phone number to which correspondence can be sent.

D. Provide the following information for any former State of California, Department of Transportation (Caltrans) employee(s) listed on the organizational chart by the prime and/or subconsultants:

• The individual’s full name
• Separation date from Caltrans starting on the later date of when the official permanently leaves state service, they are no longer authorized to perform the
duties of their job, and they stop performing the duties of the job, even if the official is still receiving compensation for accrued leave credits, and

- Functional responsibility while with Caltrans (within the last 24 months of employment) Further information concerning conflict of interest issues can be found in this document under Section VI. Post-Government Employment Restrictions and Section VII. Conflict of Interest Concerning Consultants.

E. The prime consultant’s signature affixed on the transmittal letter certifies that neither the prime consultant nor its subconsultants will engage in Construction Inspection services for the same project for which the prime consultant and/or subconsultant has performed Project Development services. In addition, neither prime consultant nor its subconsultants will engage in Construction Inspection services for the same project for which the prime consultant and/or subconsultant has performed Project Construction Support services for the Construction Contractor. List any former and/or current projects that would be directly related to the construction inspection services requested.

F. The prime’s authorized representative signature on the transmittal letter certifies that the information contained in the SOQ is truthful, accurate, and complete at time of submittal.

G. Provide the following goal documentation: (See RFQ Notice for participation goal requirements)

1. Disadvantaged Business Enterprise Goals
   a. Copy of printout from Disadvantaged Business Enterprise (DBE) database for proof of firm’s certification.
   b. DBE Participation Forms – will consist of the following pursuant to the instructions in Section III, Participation Goals, subsection A.:
      1) Disadvantaged Business Enterprise (DBE) Information, ADM-0227F A&E
      2) Bidder/Proposer Disadvantaged Business Enterprise (DBE) Good Faith Efforts Documentation, ADM-0312F
   c. Form ADM-0312F should be submitted with the ADM-0227F A&E to demonstrate good faith efforts (GFE) and to protect consultant’s eligibility for contract award in the event Caltrans determines the consultant failed to meet the DBE goal.
   d. Failure to complete and submit the required DBE information and forms will be grounds for finding the consultant non-responsive and cause for rejection of the SOQ (also refer to the RFQ Notice, Section I, General Information, subsection H for information regarding DBE participation requirements).
2. Disabled Veteran Business Enterprise Goals
   a. Disabled Veteran Business Enterprise (DVBE) certification letter(s) issued by
      the certifying entity.
   b. DVBE Participation Package – will consist of the following:
      1) California Disabled Veteran Business Enterprise Requirements form
         (STD 840)
      2) Bidder Declaration Form (GSPD-05-105)
      Failure to complete and submit the required DVBE information and forms
      will be grounds for finding the consultant non-responsive and cause for
      rejection of the SOQ (also refer to the RFQ Notice, Section I, General
      Information, subsection H for information regarding DVBE participation
      requirements).

The following Section is applicable to contracts containing public work elements and therefore
are subject to prevailing wage requirements by the California Department of Industrial
Relations (DIR).

H. Consultant/Contractor Registration Program –
   1. The prime consultant is responsible to determine which components of the
      advertised scope of work, if any, are subject to prevailing wage requirements by
      the California Department of Industrial Relations (DIR).
   2. The prime consultant must indicate in the SOQ transmittal letter whether or not
      each firm is subject to prevailing wage requirements.
   3. If the advertised scope of work contains components that are subject to
      prevailing wage requirements by DIR, the prime consultant must be registered.
      Pursuant to LC section 1725.5, no prime consultant may be awarded a contract
      containing work subject to prevailing wage requirements unless registered with
      DIR.
   4. No subconsultant or vendor may be listed on a SOQ to provide services subject
      to prevailing wage requirements, unless registered with DIR, pursuant to Labor
      Code section 1725.5 [with limited exceptions from this requirement for
      competitive purposes only under Labor Code (LC) section 1771.1(a)].
   5. An SOQ shall not be accepted nor any agreement or sub agreement entered into
      without proof of the prime consultant, subconsultant(s), or vendor current
      registration to perform work subject to prevailing wage requirements pursuant to
      LC section 1725.5 [LC 1771.1(b)].
   6. Caltrans will verify each of the registration numbers provided by the consultant
      prior to contract award. A copy of printout from the DIR database for the prime
      consultant and each subconsultant firm or vendor that will be performing work
      subject to prevailing wage requirements must be included in the SOQ as proof of
      registration.
   7.Consultants that do not possess the required registration will be deemed
      nonresponsive and rejected from further consideration in the solicitation process.
Section 2 – GENERAL SERVICES ADMINISTRATION STANDARD FORM SF330 –
Additional information for completing the SF330 may be obtained at the SF330 must be completed in accordance with the instructions contained in the form and shall conform to the following:

PART ONE – CONTRACT-SPECIFIC QUALIFICATIONS – Sections D – H to be divided by colored sheets.

1. Section A – Contract Information
2. Section B – Architect-Engineer Point of Contact – Prime Information
3. Section C – Proposed Team – Complete for prime consultant and all subconsultants and vendors. List prime team members first.
4. Section D – Organizational Chart: limited to one (1) page folded to 8-1/2” x 11”, not to exceed 11” x 17”.
5. Section E – Resumes of Proposed Key Personnel listed on organizational chart – List no more than five (5) projects per resume, not to exceed 2 pages. For each example project listed in the resumes, include the length of time spent on each project (month/year to month/year) in the Brief Description section.
6. Section F – Example Projects

Ten (10) example projects must be submitted in order to be deemed responsive to the solicitation requirements. Limit each example project to one (1) page. The example projects which best illustrate the proposed team's qualifications for the contract shall represent services performed by individuals from the prime consultant or subconsultant firm(s) available to do work on the contract and listed on the Organizational Chart in Section 2, Part One, Section D. Relevant projects performed by key personnel, not included in the 10 example projects, and not performed by the current team, may be added in Section H of SF 330 with a brief description of the project and relevance to the required services. Section G – Key Personnel Participation in Example Projects

7. Section H – Additional Information: Prime consultant is limited to four (4) pages and each subconsultant to two (2) pages. Subconsultants who have not previously worked with the prime may include additional project examples in this section; projects performed by key personnel that were not included in the 10 example projects may also be included in this section; however, page limits still apply. SF330 Section H is not required for vendors.
8. Section I – Authorized Representative: Prime consultant’s authorized representative must sign and date the completed form. Signing attests that the information provided is current and factual, and that all firms on the proposed team agree to work on the project.

PART TWO – GENERAL QUALIFICATIONS – NOT REQUIRED

Section 3 – STAFF AVAILABILITY

A. The prime consultant must provide a table or graph (i.e. bar chart, pie chart) showing the percentage of staff availability of the team proposed to work on the contract.
B. The prime consultant shall implement a personnel retention strategy and shall submit the written plan. The Personnel Retention Plan shall be inserted in Section 3 of the Statement of Qualifications (SOQ), immediately after the staff availability graph or chart. Absence of the Personnel Retention Plan may affect the score of the SOQ.

Section 4 – COMMUNICATION PLAN

The prime consultant must show the accessibility of the team by providing a communication plan that outlines the chain of command including after hours and emergency situations that may arise during the term of the contract.

Section 5 – WORK FORCE ANALYSIS CHART

Each firm (prime and subconsultant) with 50 or more employees must provide a Work Force Analysis (example below) showing the total number and percentage of employees working in California.

Each firm (prime and subconsultant) with fewer than 50 employees must provide a statement indicating that the firm has fewer than 50 employees and is therefore exempt from the Work Force Analysis requirement. A statement by the prime consultant on behalf of the subconsultant(s) is not acceptable.

A Work Force Analysis Chart and/or exemption statement is not required for vendors.

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<thead>
<tr>
<th>Work Force Analysis</th>
<th>Caucasian</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian/Pacific Islander</th>
<th>Native American/Native Alaskan</th>
<th>Total Calif. Work Force</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>F</td>
<td>M</td>
<td>F</td>
<td>M</td>
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<tr>
<td>Executives/Managers</td>
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<td>Licensed Professional Engineers/Surveyors/Architects</td>
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<td>Other Technical/Professional</td>
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<td>Office/Clerical</td>
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<td>TOTAL</td>
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<td>PERCENT OF TOTAL</td>
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Section 6 – NONDISCRIMINATION PLAN

A. Contracts solicited by the State will be awarded without discrimination. To comply with State and Federal nondiscrimination program requirements, prime, subconsultant or vendor firms with fifty (50) or more employees must provide a description of the firm’s nondiscrimination program designed to eliminate discrimination based on race, color, religion, age, sex, sexual orientation, disability, or national origin.

B. Each firm (prime, subconsultant or vendor) with fewer than 50 employees must provide a statement indicating that the firm has fewer than 50 employees and is therefore exempt from the Nondiscrimination Plan requirement. A statement by the prime consultant on behalf of the subconsultant(s) or vendors is not acceptable.

C. State nondiscrimination program requirements including Workforce Analysis Chart and Nondiscrimination Plan are found in Government Code Section 12990 and Title 2, California Code of Regulations, Division 4, Chapter 5, Subchapter 1, Sections 11102, 11103 and 11109 (unless exempted pursuant to Section 11111). For federally funded projects, nondiscrimination compliance requirements are found in Title VI of the Civil Rights Act of 1964, and the Code of Federal Regulations, 49 CFR Section 21.9.

Section 7 – CALIFORNIA CIVIL RIGHTS LAWS

Any prime firm that submits a SOQ to, or otherwise proposes to enter into or amend a contract with, a state agency with respect to any contract in the amount of one hundred thousand dollars ($100,000) or more shall certify, under penalty of perjury, at the time the SOQ is submitted or the contract is amended, that they satisfy all of the conditions set forth in California Public Contract Code Section 2010 and they shall execute the Certification. A blank form can be found on the A&E Internet website under “Forms Required with SOQ”.

III. PARTICIPATION GOALS

In accordance with the RFQ Notice, the following will apply:

The following Section A is applicable to ALL Federally funded Agreements

A. DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION GOAL

Caltrans has set an overall annual DBE goal to ensure equal participation of DBE groups specified in 49 Code of Federal Regulations (CFR), Part 26 (49 CFR 26). In compliance with 49 CFR 26, Caltrans set a contract goal for DBEs participating in a solicitation expressed as a percentage of the total dollar value of the resultant Agreement. See RFQ Notice for the DBE goals for a specific solicitation.

1. Authority and Responsibility:
   a. The solicitation is subject to 49 CFR 26 entitled Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs. Consulting firms shall be fully informed of the requirements of the regulations and Caltrans’ DBE Program developed pursuant to the regulations.
   b. Pursuant to 49 CFR 26.13, the consultant or subconsultants or vendors shall not discriminate on the basis of race, color, national origin, or sex in the performance of the agreement. The consultant shall carry out applicable requirements of 49 CFR 26 in the award and administration of DOT-assisted agreements. Failure by the
consultant to carry out these requirements is a material breach of the agreement, which may result in the termination of the agreement or such other remedy as Caltrans deems appropriate, which may include, but is not limited to:

1) Withholding monthly progress payments;
2) Assessing sanctions;
3) Liquidated damages; and/or
4) Disqualifying the consultant from future competition as non-responsible.

c. It is Caltrans’ policy to encourage the participation of DBEs in the performance of Agreements financed in whole or in part with federal funds. The consultant should ensure that DBE firms have an opportunity to participate in the performance of the solicitation and shall take all necessary and reasonable steps for this assurance.

d. It is the consulting firm’s responsibility to make work available to DBEs and select portions of work, services, or materiel needed from the RFQ, Attachment 1, Scope of Work. The required work, services, and/or materiel must be relevant to the work codes of the DBEs consistent with available DBEs, to meet the contract goal for DBE participation in this solicitation or to provide information to establish that, prior to SOQ submittal, the consulting firm made adequate good faith efforts (GFE) to meet the goal.

e. To be eligible for award of the Agreement, the consulting firm shall demonstrate that the contract goal for DBE participation will be met or that, prior to SOQ submittal, adequate GFE to meet the goal were made. Final determination of goal attainment or GFE by the consulting firm will be at Caltrans’ discretion.

f. The consulting firm is cautioned that even though its submittal indicates it will meet the stated DBE goal, its submittal should also include its GFE documentation along with DBE goal information to protect its eligibility for award of the Agreement in the event Caltrans, in its review, finds that the goal has not been met.

2. Submission of DBE Participation Information:

The required DBE goal information shall be submitted on the Disadvantaged Business Enterprise (DBE) Information form, ADM-0227F A&E, and as described herein. Use the Bidder/Proposer Disadvantaged Business Enterprise (DBE) Good Faith Efforts Documentation form, ADM-0312F, to document any good faith efforts (GFE). Both ADM-0227 A&E and ADM-0312F are available on the DPAC website. The prime consultant is responsible for carefully reviewing and following all instructions for the ADM-0227F A&E and/or ADM-0312F.

a. DBE GOAL INFORMATION: On page 1 of the ADM-0227F A&E, the proposer shall provide the required information and documentation as instructed on page 2 of the ADM-0227F A&E. The Proposer is responsible to ensure all information on the ADM-0227F A&E is complete and accurate.

• The percentage of DBE goal commitment documented by the proposer in the ADM0227F A&E is the percentage that will be documented in the Agreement language. After the highest qualified consultant has been selected, the highest qualified consultant will be asked to convert the percentage of commitment to dollar amount for each DBE listed on form ADM-0227F A&E in the column
identified for that purpose and resubmit their form ADM-0227F A&E to the contract analyst within five (5) working days after notification of final results.

- The final/revised ADM-0227F A&E will be attached to and incorporated as part of the Agreement.

b. GOOD FAITH EFFORTS: Using ADM-0312F, the proposer shall provide sufficient documentation to demonstrate adequate GFEs were made as instructed in the ADM0312F. The Proposer is responsible for ensuring all information in the ADM-0312F is complete and accurate. For disqualification examples, refer to the instructions to Bidder/Proposer in page 1 of the ADM-0312F.

3. DBE Certification Requirements:

It is the proposer’s responsibility to be fully informed regarding the requirements of 49 CFR 26 and Caltrans’ DBE Program developed pursuant to the regulations. Particular attention is directed to the following:

a. A DBE must be certified through the California Unified Certification Program (CUCP).

- In accordance with 49 CFR 26, the DBE must be certified by the SOQ submittal due date as stated in the RFQ Notice and possess the work codes applicable to the type of work the DBE will perform on the Agreement in order to count toward meeting the DBE goal.
- It is the proposer’s responsibility to verify that DBEs are certified by accessing the CUCP database.
- The CUCP database includes DBEs certified from all certifying agencies participating in the CUCP. If a firm is certified that cannot be located in the database and to ensure that a firm is certified with the appropriate work code to perform services, please contact the Caltrans Office of Business and Economic Opportunity (OBEO), Certification Branch, at (916) 324-1700.

b. Access the CUCP database from the Caltrans OBEO website.

- Click on the link button “DBE Search Click here”
- Click on Click Here to Access DBE Query Form
- Searches can be performed by one or more criteria
- Follow instructions on the screen

c. A proposer (prime consultant), who is not a certified DBE, is required to document one or a combination of the following:

1) Meet the contract goal for DBE participation through work performed by DBE subconsultants, vendors, suppliers, or trucking companies.

2) Make an adequate GFE to meet the contract goal for DBE participation prior to SOQ submittal.

d. A certified DBE may participate as a prime consultant, subconsultant, joint venture partner, as a vendor of material or supplies, or as a trucking company.
e. A certified DBE proposer not proposing as a joint venture with a non-DBE is required to document one or more of the following:

1) The DBE proposer will meet the goal by performing work with its own forces.
2) The proposer will meet the contract goal for DBE participation through work performed by DBE subconsultants, vendors, suppliers, or trucking companies.
3) Prior to SOQ submittal, the proposer made adequate GFEs to meet the contract goal for DBE participation.

f. A DBE joint venture partner must be responsible for specific Agreement items of work, or portions thereof. Responsibility means actually performing, managing, and supervising the work with its own forces.

g. The DBE joint venture partner must share in the capital contributions, control, management, risks and profits of the joint venture. The DBE joint venture must attach and submit the joint venture Agreement with the ADM-0227F A&E as instructed in page 2 of the form.

h. A DBE must perform a Commercially Useful Function (CUF), pursuant to 49 CFR 26 (i.e.: must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing, and supervising the work involved). To perform a CUF, the DBE must also be responsible for materials and supplies to be used on the Agreement for negotiating price, determining quality, and quantity, installing (where applicable), and paying for the material itself.

i. Any dollar amount of work, service or supplies proposed for DBE participation can be counted only once. That is, any further subcontracting or spending for DBE work, service or supplies already credited once for DBE participation cannot be counted again.

j. A prime consultant who is a certified DBE is eligible to claim all of the work in the Agreement toward the goal except that portion of the work to be performed by non-DBE subconsultants.

k. If the prime consultant performs and documents an adequate GFE to meet the goal, the award cannot be denied on the basis that the prime consultant failed to meet the goal.

l. Caltrans considers the DBE commitments of other proposers in determining whether a proposer made a GFE to meet the goal.

4. Credit: Materials, Supplies, and Trucking Companies:

a. Credit for materials and/or supplies purchased from DBEs will be as follows:

1) If the materials or supplies are obtained from a DBE manufacturer, 100 percent (100%) of the cost of the materials or supplies will count toward the DBE goal.

2) A DBE manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the Agreement.

3) If the materials or supplies are purchased from a DBE regular dealer, 60 percent (60%) of the cost of the materials or supplies will count toward the DBE goal.
4) A DBE regular dealer is a firm that owns, operates or maintains a store, warehouse or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock and regularly sold or leased to the public in the usual course of business.

5) To be a DBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business as provided in this paragraph if the person both owns and operates distribution equipment for the products.

6) Any supplementing of regular dealers’ own distribution equipment shall be a long-term lease Agreement and not on an ad-hoc or Agreement by Agreement basis.

7) Packagers, brokers, manufacturers’ representatives or other persons who arrange or expedite transactions are not DBE regular dealers within the meaning of this paragraph.

8) Credit for materials or supplies purchased from a DBE which is neither a manufacturer nor a regular dealer will be limited to the entire amount of fees or commission charged for assistance in the procurement of the materials and supplies or fees or transportation charges for the delivery of materials or supplies required on a job site, provided the fees are reasonable and not excessive as compared with similar fees charged for services.

b. Credit for DBE trucking companies will be as follows:

1) The DBE must manage and supervise the entire trucking operation for which it is responsible on a particular Agreement and there cannot be a contrived arrangement for the purpose of meeting the DBE goal.

2) The DBE must itself own and operate at least one fully licensed, insured, and operational truck used on the Agreement.

3) The DBE will receive credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.

4) The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Agreement.

5) If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers, it is entitled to credit only for the total value of these hauling services.

6) A lease must indicate that the DBE has exclusive use and control over the truck. This does not preclude the leased truck from being used by others during the...
term of the lease with the consent of the DBE, as long as the lease gives the DBE absolute priority for use of the leased truck.

7) Leased trucks must display the name and identification number of the DBE.

5. Use of Proposed DBEs:

a. If awarded the Agreement, the successful consulting firm must use the DBE/subconsultant(s), vendors and/or supplier(s) proposed in its SOQ.

b. The consultant may not substitute, add or terminate a subconsultant, vendor, supplier or, if applicable, a trucking company, listed in the original SOQ without the prior written approval of the Contract Manager.

The consultant must make an adequate GFE to find another certified DBE subconsultant to substitute for the original DBE. The GFE shall be directed at finding another DBE to perform at least the same amount of work under the Agreement as the DBE that was substituted or terminated to the extent needed to meet the established contract goal for DBE participation.

The consultant’s inability to find a replacement DBE at the original price is not alone sufficient to support a finding that good faith efforts have been made to replace the original DBE.

The requirement that DBEs must be certified by the SOQ due date does not apply to DBE substitutions after award of the Agreement. Substitutions of DBEs after award must be certified at the time of the substitution or addition.

Authorization to use other subconsultants, vendors or suppliers may be requested for the following reasons:

1) Listed DBE fails or refuses to execute a written Agreement based upon the terms and conditions for the Agreement.

2) The consultant stipulated that a bond was a condition of executing a subcontract and the listed DBE subconsultant failed or refuses to meet the bond requirements of the consultant.

3) Work requires a professional engineering license and the listed DBE does not have a valid license under the Professional Engineers Act (Business and Professions Code Section 6700).

4) Listed DBE fails or refuses to perform subcontract or furnish listed materials.

5) Work performed by listed subconsultant is unsatisfactory and not in compliance with the scope of work to be performed.

6) Listed DBE is ineligible to work on the project because of suspension or debarment.

7) Listed DBE becomes bankrupt or insolvent.

8) Listed DBE voluntarily withdraws written notice from the Agreement.

9) Listed DBE is ineligible to receive credit for the type of work required.

10) Listed DBE owner dies or becomes disabled resulting in the inability to perform the work of the Agreement.

11) Caltrans determines other documented good cause pursuant to 49 CFR 26.53.
c. Consultant’s DBE substitution request to the Caltrans Contract Manager must include:

1) Written explanation of the substitution reason and, if applicable, consultant must also include the reason a non-DBE subconsultant is proposed for use.

2) Written description of the substitute business enterprise, including its business status, DBE certification number, and status as a sole proprietorship, partnership, corporation, or other entity.

3) Written notice detailing a clearly defined portion of the work identified both as a task and as a percentage share/dollar amount of the overall Agreement that the substitute firm will perform.

4) Consultant shall provide to the Caltrans Contract Manager within seven (7) working days of the substitution request documentation of GFE to find a replacement DBE. This period may be extended for an additional seven (7) working days, if necessary, at the request of the consultant.

d. Prior to the approval of the consultant’s substitution request, the Caltrans Contract Manager must give written notice to the subconsultant being substituted by the consultant.

A copy of the notice sent by the Caltrans Contract Manager must be sent to the Caltrans Division of Procurement and Contracts (DPAC). The notice must do all of the following: Give the reason the consultant is requesting substitution of the listed subconsultant.

1) Give the listed subconsultant five (5) working days within which to submit written objections to DPAC and copies to the Caltrans Contract Manager.

2) Notify the subconsultant that if a written objection is not received or received past the due date, such failure will constitute consent to the substitution.

3) Be served by certified or registered mail to the last known address of the listed subconsultant.

e. The listed subconsultant, who has been so notified, shall have five (5) working days within which to submit written objections of the substitution to the Caltrans Contract Manager. Failure to submit a written objection shall constitute the listed subconsultant’s consent to the substitution.

If written objections are filed by the listed subconsultant, DPAC will render a written decision. DPAC shall give written notice of at least five (5) working days to the listed subconsultant of a hearing by Caltrans on the consultant’s request for substitution.

6. Forms:

Caltrans forms that are referenced in this section and can be found on Caltrans’ A&E website.
ADM-0227F A&E Disadvantaged Business Enterprise (DBE) Information form
ADM-0312F Bidder/Proposer Disadvantaged Business Enterprise (DBE Good Faith Efforts Documentation form

The forms can also be obtained by contacting the analyst listed in the solicitation.
7. Questions:

Questions concerning DBE certification requirements and good faith effort documentation must be addressed to:

State of California
Department of Transportation
Office of Business and Economic Opportunity
1823 14th Street
Sacramento, California 95814-7189

Or you may call (916) 324-1700. Information regarding DBE firms certified by Caltrans is available via the Internet at the Office of Business and Economic Opportunity website.

The following Section B is applicable to ALL State-funded Agreements.

B. DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION GOAL

a. Consulting firms are required to attain the required Disabled Veteran Business Enterprise (DVBE) goal. See RFQ Notice for the DVBE goals for a specific solicitation. The following DVBE participation goal forms must accompany the consultant’s SOQ:

   i. California Disabled Veteran Business Enterprise Requirements form (STD 840)
   ii. Bidder Declaration Form (GSPD-05-105)

b. Failure to complete and submit the required DVBE information and forms will be grounds for finding the consultant non-responsive and cause for rejection of the SOQ (also refer to the RFQ Notice, Section I, General Information, subsection H for information regarding DVBE participation requirements).

c. The Documentation of Disabled Veteran Business Enterprise Program Requirements form (STD 840) can be downloaded from the Division of Procurement and Contracts website or may be obtained by contacting the contract analyst named in the RFQ Notice.

d. When completing the STD 840, the anticipated goal percentage for each firm listed must be inserted in the box labeled “Estimated $ and/or %” and the submitting firm name and the solicitation number must be inserted on the top of each page.

e. The Department of General Services, Office of Small Business Certification and Resources provides information on the Internet regarding how to become a certified DVBE firm and also lists all certified DVBE firms.

The following Section C is applicable to ALL State-funded Agreements.

C. SMALL BUSINESS PARTICIPATION GOAL

Pursuant to Governor’s Executive Order S-02-06, Caltrans may establish a small business participation goal for the contract (see RFQ Notice). Consultants may provide, at time of award, the Small Business Questionnaire ADM-2046 form identifying all the certified small businesses to be utilized in meeting this goal. The form is available on the Division of Procurement and Contracts website or may be obtained by contacting the contract analyst named in the RFQ Notice.
IV. CPA WORKPAPER REVIEW PROGRAM

Effective July 1, 2010, Caltrans implemented a Certified Public Accountant (CPA) Workpaper Review Program, as follows:

A. For A&E contracts whose total value equals or exceeds $3,500,000, prime consultant firms will be required to submit an Indirect Cost Rate (ICR)(s) audited by an independent CPA firm in accordance with the following criteria and acceptable indirect cost rate schedule formats:
   c. 48 CFR, Chapter 1, Part 31—Contract Cost Principles and Procedures.
   d. 48 CFR, Chapter 99—Cost Accounting Standards, Subpart 9900.
   e. American Association of State Highway and Transportation Officials (AASHTO), Uniform Audit & Accounting Guide. Sample indirect cost rate schedules are on pages 42 to 44.

B. At the discretion of Caltrans, the ICR(s) and related independent CPA workpapers may be reviewed by Caltrans Audits and Investigations (A&I) to verify the accuracy and CPA’s compliance with 48 CFR, Chapter 1, Part 31 and related laws and regulations, and to determine if the audit report is acceptable.

C. The CPA ICR Audit Report is subject to the review and approval of A&I when A&I is the Cognizant Home State Audit Agency. As a result of A&I’s review, there may be additional unallowable costs identified, which may require the consultant’s CPA to revise their audited ICR, and re-issue their CPA ICR Audit Report prior to A&I issuing its Cognizant Approval Letter.

D. Subconsultants are not required but encouraged to submit a CPA ICR Audit Report or State DOT ICR Cognizant Approval Letter. However, all subconsultants associated with any contract are required to have Federal Acquisition Regulation (FAR) Compliant ICR(s) prepared in accordance with 48 CFR, Chapter 1, Part 31, in the event they are audited by A&I. A FAR Compliant ICR(s) should be proposed on all subconsultant cost proposals, or when available, a State DOT Cognizant Approved ICR(s) must be proposed.

E. The required documents must be received by Caltrans within the requested timeframe, as stated in paragraph F. of this section. If the highest qualified consultant does not have an ICR audited by an independent CPA, the selection process will be discontinued with the highest qualified consultant.

F. REQUIRED DOCUMENTS

The following order of precedence has been established for consideration of available and acceptable ICR(s) data for prime consultant and each subconsultant. ICR schedules must be compliant with 48 CFR, Chapter 1, Part 31, including but not limited to, prepared on the ACCRUAL BASIS. Unallowable amounts must be identified in a separate column, supported by related reference to the appropriate CFR citation. ICR schedules must be consistent with the format as shown in AASHTO’s Uniform Audit and Accounting Guide.
### Category

<table>
<thead>
<tr>
<th>Category</th>
<th>Contracts Whose Value Equals or Exceeds $3,500,000</th>
<th>Contracts Whose Value is Less than $3,500,000**</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA-audited ICR Audit Report or Approved State DOT Cognizant ICR</td>
<td>Required*</td>
<td>Not required**</td>
</tr>
<tr>
<td>Completed Internal Control Questionnaire (ICQ), Appendix B of AASHTO Guide AASHTO Bookstore</td>
<td>Required*</td>
<td>Required*</td>
</tr>
</tbody>
</table>

*Required documentation will accompany the remaining financial documents as specified in the appropriate Financial Documents Submittal Checklists located on Caltrans Independent Office of Audits and Investigations and the A&E Contract Information websites. A complete financial document package must be submitted to DPAC by the selected prime consulting firm no later than four (4) days after notification of selection as the highest qualified consultant firm. Failure to submit required documents within the established time period may result in termination of negotiations.

**The type of audit or procedure could consist of post-award audit, incurred cost audit, overhead audit, financial management system review, or any other review procedures deemed necessary by A&I.

CPA-audited ICR Audit Report or Approved State DOT Cognizant ICR is not required; however, if a CPA-audited ICR Audit Report or Approved State DOT Cognizant ICR is available for the appropriate fiscal year, then the consultant should propose this ICR in the cost proposal submitted.

**Note:** Per 23 CFR 172.11(d) Consultant overhead rate information may be shared with other state audit offices and other subrecipients (Local Agencies).

G. For firms who might be eligible to use the Safe Harbor Indirect Cost Rate (SHR) as established by the Federal Highway Administration (FHWA), please refer the A&E Contract Information website.

### V. PROVISIONAL RATE

A. This section and the related procedures below will apply to prime consultants and subconsultants where the proposed Agreement is less than $3,500,000.

B. All prime consultants and subconsultants are required to submit an Indirect Cost Rate(s) (ICR) that has been prepared in accordance with the following criteria and acceptable ICR schedule formats:

   a. Government Auditing Standards (GAS) issued by the United States Government Accountability Office, if audited ICR.


   c. 48 CFR, Chapter 1, Part 31—Contract Cost Principles and Procedures.
d. 48 CFR, Chapter 99—Cost Accounting Standards, Subpart 9900.
e. American Association of State Highway and Transportation Officials (AASHTO), Uniform Audit & Accounting Guide. Sample indirect cost rate schedules are on pages 42 to 44.

C. The following order of precedence has been established for consideration of available and acceptable ICR(s) data for each consultant:

a. The prior fiscal year Cognizant Approved ICR(s) for the consultant.
b. The prior fiscal year ICR(s) audited by an independent CPA.
c. The prior fiscal year ICR(s) evaluated on a prior Caltrans or Local Agency contract.
d. Internally generated ICR(s) schedule prepared in accordance with the CFRs and prepared by staff knowledgeable about the CFRs.
e. Note: The prior fiscal year means one-year applicable accounting period for the annual accounting for which financial statements are regularly prepared on a yearly basis by the consultant.

D. The consulting firm understands that the provisional ICR(s) is subject to A&I’s audit/analytical procedures after contract execution.

VI. POST-GOVERNMENT EMPLOYMENT RESTRICTIONS

A. Former Caltrans employees, including former retired annuitants, designated in a Conflict of Interest Code are subject to post employment restrictions under Government Code Section 87406. Former designated Caltrans employees that have not been separated from the State for more than one (1) year starting on the later date of when the official permanently leaves state service, they are no longer authorized to perform the duties of their job, and they stop performing the duties of the job even if the official is still receiving compensation for accrued leave credits are prohibited from:

1. Entering into a contract with Caltrans as an individual.

2. Making any formal or informal appearances or oral or written communications to Caltrans or to any of its officers or employees. This includes attendance or participation in: a. Selection interviews.
   b. Scoping meetings.
   c. Contract and task order negotiations.
   d. Direct involvement in cost proposal and audit activities.

B. Former Caltrans employees, including former retired annuitants, may be subject to a lifetime postemployment ban under Government Code Sections 87400-87403. Violation by consultant(s) of any provisions found in the paragraphs above shall render every contract or other transaction entered into void unless the violation is technical or non-substantive.

C. Information regarding post-employment ban as stated in above-referenced Government Codes may be viewed by visiting the Fair Political Practices Commission website.

VII. CONFLICT OF INTEREST CONCERNING CONSULTANT(S)
Prospective consultants shall disclose any financial, business or other relationship with the State of California, especially Caltrans or the California Transportation Commission, that may have an impact upon the outcome of the contract. Prospective consultants shall also list current clients who may have a financial interest in the outcome of the contract.

**VIII. PROTEST PROCEDURES**

A. This section sets forth the protest remedies available with respect to the RFQ process. Each prospective consultant, by submitting its SOQ, expressly recognizes the limitation on its rights to protest contained herein, and expressly waives all other rights and remedies. Each prospective consultant agrees that the decision on any protest, as provided herein, will be final and binding on the protestant.

B. All protests and related statements described in this section shall be submitted for filing to one of the following addresses:

1. Submittal via hand delivery or U.S. Mail:
   
   State of California  
   Department of Transportation  
   Division of Procurement and Contracts  
   1727 30th Street, 4th Floor, MS 65  
   Sacramento, CA 95816-7006  
   Attention: Bid, Protest, and Dispute Branch  

2. Submitted via Email to DPAC.Protest.Disputes.Terminations@dot.ca.gov.

C. Protests Regarding RFQ Requirements

1. If attempts to resolve prospective consultant concerns during the question and answer (Q&A) period were unsuccessful, protests regarding the RFQ requirements shall be filed only after the Q&A period ends, but no later than indicated on the time line under section C.3.

2. Prospective consultants may protest the RFQ requirements on the grounds that
   a. A material provision in the RFQ Notice is ambiguous, or
   b. Any aspect of the RFQ requirements described herein violates applicable State or Federal law.

<table>
<thead>
<tr>
<th>Timeline</th>
<th># of Calendar Days After Advertisement (14-Day Ad Only)</th>
<th># of Calendar Days After Advertisement (All Other Ad Periods)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>10</td>
</tr>
<tr>
<td>RFQ Requirements Protest Deadline*, Unless Modified by Addenda</td>
<td>10</td>
<td>15</td>
</tr>
</tbody>
</table>

*Must be received in DPAC office by this day.
c. Protests regarding the RFQ requirements shall completely and succinctly state the grounds for protest and shall include all factual and legal documentation in sufficient detail to establish the merits of the protest. Evidentiary statements, if any, shall be submitted under penalty of perjury. The protestant shall have the burden of proving its protest by preponderance of the evidence. The outcome of the RFQ requirements protest shall be decided on the basis of the written submissions by Caltrans Division of Procurement and Contracts (DPAC), whose decision shall be final and binding on the prospective consultant. DPAC will issue a written decision regarding any protest to each prospective consultant.

d. Notwithstanding the existence of a protest, Caltrans may continue the procurement process. The failure of a prospective consultant to file a basis for a protest regarding the RFQ requirements within the applicable period shall preclude consideration of that ground in any future protest in connection with Caltrans Selection of the Most Highly Qualified Firm Decision.

e. This is the only time a prospective consultant can file a protest over RFQ requirements.

f. Caltrans may issue addenda or extend the SOQ due date to address the issues raised in a requirement protest.

D. Protests Regarding Selection of the Most Highly Qualified Firm

1. Caltrans will only consider protests by prospective consultants that submitted SOQs.

2. Prospective consultants may protest the selection of the Most Highly Qualified Firm only on the grounds that Caltrans did not comply with RFQ procedures.

3. Any protest regarding the Caltrans decision of Selection of the Most Highly Qualified Firm must be filed within seven (7) business days after selection of the Most Highly Qualified Firm. Caltrans will not accept protests filed after this time period.

4. Caltrans will not entertain protests of RFQ requirements during this stage in the process.

5. The protestant shall file a detailed written statement of the grounds, legal authority and facts, including all documents and evidentiary statements in support of the protest. Evidentiary statements, if any, shall be submitted under penalty of perjury. The protestant shall have the burden of proving its protest by a preponderance of the evidence. Failure to file a protest within the applicable period shall constitute a waiver of the right to protest the selection of the most Highly Qualified Firm.

6. DPAC shall issue a written decision regarding the protest within 30 calendar days after the filing of the detailed statement of protest. The decision shall be final and binding on the protestant.

7. Caltrans reserves the right to request information and/or documentation from the selected Most Highly Qualified Firm to respond to issues raised in a protest.

E. Under no circumstances shall Caltrans be held liable for payment of the protestant’s costs or attorneys’ fees. Caltrans shall not be liable for any damages to the protestant filing the protest or to any participant in the protest, on any basis, express or implied.
IX. MISCELLANEOUS

A. Modification or Withdrawal of Submittals

Any SOQ received may be withdrawn prior to the SOQ submittal date by written request to Caltrans by the prime consultant. The prime consultant may elect to resubmit no later than the published due date and time.

B. Property Rights

SOQs received become the property of the State of California, Department of Transportation.

C. Addendum to Request for Qualifications/Proposal

Caltrans reserves the right to amend the RFQ Notice by addendum before the final SOQ submittal date and time.

D. Non-Commitment of Caltrans

1. The RFQ Notice does not commit Caltrans to award a contract, to pay any costs incurred in the preparation of a SOQ for the request, or to procure or contract for services.

2. All products used or developed in the execution of any contract resulting from the RFQ will remain in the public domain at the completion of the contract.

E. Americans with Disabilities Act

The consultant shall assure Caltrans that it will comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. Section 12101 et seq.).

F. Standard Title VI/Nondiscrimination Assurances (DOT Order No. 1050.2A)

The California Department of Transportation, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all proposers that it will affirmatively ensure that disadvantaged business enterprises will be afforded full opportunity to submit SOQs in response to an advertised RFQ and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.

X. CONSULTANT SELECTION PROCESS INFORMATION

The consultant will be selected by a means of a dual selection process (evaluation of SOQs followed by an interview of those short-listed).

A. Initial Evaluation:

The Consultant Selection Committee members will review and evaluate each SOQ, document the strengths and weaknesses, and score each SOQ independently. The criteria on the ADM-2027 forms are the basis for the initial evaluation, scoring and ranking of consultant’s SOQs to establish a short-list of firms to be interviewed. The ADM-2027 forms are available on the Procuring A&E Contracts website or by contacting the contract analyst named in the RFQ Notice. Short-listed firms will receive an invitation to interview with an Example Task Order to be completed and presented at the interview. Short-listed firms will be required to present the approach, challenges, alternate solutions, key staff’s availability and ability to deliver the Example Task Order at the interview.
B. Final Evaluation:

The Consultant Selection Committee will use the criteria in forms ADM-2028a, ADM-2028b, and ADM-2028c as the basis for the evaluation, scoring and ranking of consultants interviewed. Forms ADM-2028a, ADM-2028b, and ADM-2028c are available on the Procuring A&E Contracts website or by contacting the contract analyst named in the RFQ Notice. The final evaluation will include the following:

1. **Example Task Order Presentation:**
   Short-listed firms will be required to demonstrate their approach to performing the work, challenges, alternate solutions, and key staff’s availability and ability to deliver the services.

2. **Oral response to Technical Scenario Questions:**
   Short-listed firms will be provided 20 to 30 minutes to review the Technical Scenario Interview Questions prior to oral presentations.

3. **Closing Statement:**
   Short-listed firms will be allowed two (2) minutes to add only to their Technical Scenario Questions.

4. **Initial Evaluation Score:**
   Will account for 25 percent of the final score.

The Consultant Selection Committee will evaluate the short-listed firms independently and submit their score to the Consultant Selection Committee Chair for compilation. The Consultant Selection Committee will then collectively document the strengths and weaknesses of each firm, prepare the Consensus Ranking (ADM-2028c -Consensus) form and certify the Final Evaluation.

C. Short-listed consulting firms that meet the criteria, must submit the following documents in a sealed envelope upon arrival at the interview:

1. **Safe Harbor Indirect Cost Rate (SHR) Certification and Questionnaire**

2. Proposed hourly rate documentation (sole proprietors only). Only the sealed envelope of the most highly qualified consulting firm will be opened. All unopened sealed envelopes will be returned to the consulting firm at the conclusion of the award process.

D. All prime consultants that participate in the consultant selection process will be notified of the final selection.

**XI. NEGOTIATIONS**

The contract negotiation process includes assessment of financial documents provided by the prime consultant, obtaining documentation that adequately supports proposed costs, and reaching agreement on contract fees, escalation rates, and other costs, as necessary.

A. Financial Document Assessment

1. Short-listed consulting firms that elect to utilize the Safe Harbor Indirect Cost Rate (SHR) must submit the SHR Certification and Questionnaire in a sealed envelope at
the time of the interview. Only the most highly qualified consulting firm’s envelope will be opened and submitted to A&I for review.

2. The most highly qualified consulting firm must submit a complete financial documents package no later than four (4) days after notification of selection. The prime consultant must submit the complete financial documents package in order for Caltrans to have the information necessary to engage in negotiations. The prime consultant is solely responsible for timely and complete submission of financial documents on behalf of the entire proposed team; financial documents will not be accepted from proposed subconsultant firms. Failure to submit a complete financial documents package by the specified due date may result in termination of negotiations with the most highly qualified consulting firm.

3. The number and type of financial documents required is dependent upon both the anticipated contract value and the structure of the prime consultant and subconsultant firms. Each Financial Document Submittal Checklists, including detailed instructions, is available on the Caltrans Independent Office of Audits and Investigations and A&E Contract Information website.

4. The financial documents submitted by the prime consultant to ensure all proposed costs are supported, including required financial documents for all the subconsultants. A&I will communicate directly with the prime consultant, if any action items are necessary, to adequately support the costs proposed. The prime consultant is responsible to respond to any action items identified within 48 hours of notification (2 business days). Failure of the prime consultant to respond adequately in the time frame specified may result in disallowance of proposed cost(s) or termination of negotiations with the most highly qualified consulting firm.

5. The scope of A&I’s financial document review shall include, but is not limited to, the following:

   a. Tests that the auditors consider necessary to assess that the consultant satisfactorily meets the requirements outlined in items 1a-1c below prior to execution of the contract.

      i. The prospective consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate, and, if necessary, Caltrans will recommend that an interim audit be performed. At a minimum, the consultant must have an accounting system that meets the following objectives:

         1. The ability to record and report financial data in accordance with Generally Accepted Accounting Principles, and 48 CFR, Chapter 1, Part 31.

         2. The ability to accumulate and segregate reasonable, allowable, and allocable costs through the use of a cost accounting system.

         3. A system of recordkeeping to ensure the costs billed to Caltrans will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.
4. Procedures to retain accounting records and source documentation as required by the terms of the contract.

5. A system of internal control which provides reasonable assurance that assets are protected; financial data, records, and statements are reliable; and errors and irregularities are promptly discovered, reported, and corrected.

   ii. The prospective consultant must be financially capable of performing the work.

   iii. The costs proposed must be fair and reasonable.

Additional information regarding the accounting and audit guidelines for contracts with Caltrans is available on the A&E Contract Information website.

B. Contract Fee and Escalation Rates.

   1. The contract fee and escalation rates will be negotiated with the most highly qualified consulting firm under authority of the California Government Code Section 4528. A negotiation meeting with the most qualified consulting firm will occur within seven (7) calendar days of the prime consultant’s submission of a complete financial documents package.

   2. If agreement cannot be reached with the most highly qualified consulting firm, negotiations will be terminated, and negotiations will start with the next most highly qualified consulting firm for the contract. Caltrans reserves the right to negotiate a firm-fixed-price contract or a combination of specific rates of compensation for a specific phase of the project and firm-fixed price for another phase. Caltrans also reserves the right to entertain firm-fixed-price task orders or fixed rates of compensation (i.e. actual costs plus other direct costs) for any contract when the Caltrans Contract Manager deems appropriate. Firm-fixed-price task orders may be negotiated for work resulting from the solicitation.

XII. CHANGES TO TEAM COMPOSITION

A. Except as provided in subsection B below, any material changes in a proposer’s team [e.g. any change of key personnel and/or Sub-Consultants] prior to the execution of the Agreement will be considered a material change in the SOQ, and therefore the SOQ will be automatically rejected.

B. A proposer may change a SOQ after its submission and before the SOQ submittal due date and time by (1) first withdrawing the original SOQ and then (2) submitting a new SOQ prior to the SOQ submittal deadline. A SOQ may not be changed in any other manner.

XIII. CONTRACT EXECUTION

A. Consultant firms are not required to obtain a business license until the time of contract signing.

B. If the consultant is a corporation, the consultant must certify that the corporation is in good standing to do business in California. Pursuant to Revenue and Taxation Code 23101, “Doing business means actively engaging in any transaction for the purpose of financial or pecuniary gain or profit.”
C. If the consultant is selected for the contract and found to have an invalid corporate status with the California Secretary of State’s Office, the contract will be voided unless the consultant can provide validity of corporate status within five (5) business days of notification of intent to cancel.

D. The selected consultant must comply with Government Code Section 8355 in matters relating to providing a drug-free work place.

E. All work shall be done in accordance with State standards, policies, procedures, regulations and laws.

XIV. POST-AWARD AUDIT

A. A post-award audit may be performed after the contract is fully executed. The post-award audit will be conducted in accordance with Generally Accepted Government Auditing Standards as promulgated by the United States General Accounting Office.

B. The consultant awarded the contract agrees that any audit recommendations regarding contract amount, the consultant’s cost proposal or individual items of cost, at Caltrans’ sole discretion, may be incorporated into the contract.

C. The rates included in the consultant’s cost proposal, after the post-award audit recommendations are incorporated, shall remain in effect for the duration of the contract.

D. Refusal by the consultant to concur with the adjusted rates recommended in the post-award audit finding may result in contract termination.

E. The scope of the audit will consist of such tests as the auditors consider necessary to assure that the consultant satisfactorily meets the requirements outlined in items a-c below prior to execution of the contract.

1. At the time of the post-award audit, the prospective consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable, and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate, and, if necessary, recommend that an interim audit be performed. At a minimum, the consultant must have an accounting system that meets the following objectives:

a. The ability to record and report financial data in accordance with Generally Accepted Accounting Principles and the Federal Acquisition Regulations System (FAR) at 48 FAR 31.201-6.

b. The ability to accumulate and segregate reasonable, allowable, and allocable costs through the use of a cost accounting system.

c. A system of recordkeeping to ensure the costs billed to Caltrans will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.

d. Procedures to retain accounting records and source documentation as required by the terms of the contract.

e. A system of internal control that provides reasonable assurance that assets are protected; financial data, records and statements are reliable; and errors and irregularities are promptly discovered, reported, and corrected.
2. The prospective consultant must be financially capable of performing the work.
3. The costs proposed must be fair and reasonable.

XV. OTHER AUDITS/PROCEDURES

In addition to financial document evaluations and post-awards, A&I reserves the right to perform incurred cost audits, overhead audits, financial management system reviews, or any other procedures deemed necessary.

Additional information regarding the Caltrans Division of Audits and Investigations Accounting and Audit guidelines for contracts with Caltrans is available on the A&E Contract Information website.

XVI. CONSULTANT CODE OF BUSINESS ETHICS AND CONDUCT

A. Definition

United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

B. Code of Business Ethics and Conduct

1. Within 30 days after contract award, the consultant shall:
   a. Have a written code of business ethics and conduct; and
   b. Provide a copy of the code to each employee engaged in performance of the contract.

2. The consultant shall promote compliance with its code of business ethics and conduct.

C. Awareness Program and Internal Control System for Other Than Small Businesses

This paragraph does not apply if the consultant has represented itself as a small business concern pursuant to the award of the contract. The consultant shall establish within 90 days after contract award:

1. An ongoing business ethics and business conduct awareness program; and
2. An internal control system.

   a. The consultant’s internal control system shall:
      1) Facilitate timely discovery of improper conduct in connection with Government contracts; and
      2) Ensure corrective measures are promptly instituted and carried out.

   b. For example, the consultant’s internal control system should provide for:
      1) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the consultant’s code of business ethics and conduct and the special requirements of Government contracting.
      2) An internal reporting mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;
      3) Internal and/or external audits, as appropriate; and
4) Disciplinary action for improper conduct.

D. Subcontracts

The consultant shall include this Section XV, including this subsection D, in any subcontracts, except when the subcontract:

1. Is for the acquisition of a commercial item; or
2. Is performed entirely outside the United States.