



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION

ROY COOPER
GOVERNOR

J. ERIC BOYETTE
SECRETARY

December 30, 2020

MEMORANDUM TO: Division Engineers, Unit Heads
FROM: Ronald Keeter, PE, Chief Engineer
SUBJECT: Evaluation of Consultant Performance

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Ronnie Keeter
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The process of evaluating consultant performance was recently studied to identify opportunities for improvement. Previously, evaluations were not done consistently and were performed to varying degrees between units and divisions. The goal was to establish a process and platform for evaluating consultant capability and performance that is consistent across the Division of Highways.

We assembled a team to examine the current process and determine what needed to be updated, streamlined, or eliminated. We involved industry partners and researched business practices from other state transportation departments. The team developed a policy, procedures, job aid, a standard Consultant Evaluation Form and an online system to transmit and store consultant evaluations.

Effective immediately, I am asking you to complete consultant evaluations 100% of the time and transmit evaluations to firms within 30 days after completion of contracted work, or once every six (6) months for contracts with long durations (greater than one year). All Division of Highway units and divisions are expected to support this requirement.

I appreciate your support. If you have any questions, please contact your immediate supervisor, your project team contact listed below, or Terry Canales at tcanales@ncdot.gov in the Technical Service Division.

Attachments:
Consultant Evaluation Procedure Policy
Completing an Electronic Consultant Evaluation Job Aid

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CONSULTANT EVALUATION PROCESS

NCDOT POLICY
F.35.0101

Business Category: Division of Highways (DOH)		Business Area: Professional Services Management Unit / Technical Services Division	
Approval Date: 10/22/2020	Last Revision Date: N/A	Next Review Date: 10/22/2022	
Authority: 23 CFR 172.9(d) (2)		Select all that apply: <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Requires Board approval Click to type Board name. <input type="checkbox"/> Requires Federal Highways Administration (FHWA) approval <input type="checkbox"/> Requires other external agency approval: Click here to enter external agency name(s).	
<p>Definitions: In this policy, unless otherwise provided, the following terms will have the following meanings:</p> <p>Construction Engineering and Inspection (CEI) - shall mean personnel, whether consultant or Department employee, providing construction engineering and inspection services.</p> <p>Construction Project Manager (CPM) - shall mean the Department employee whose duties include managing CEI consultant contracts.</p> <p>Consultant - shall also be referred to as “Firm” or “Professional Engineering Firm (PEF)”. A private agency, corporation, organization, business or individual offering qualified professional or specialized services</p> <p>Consultant Evaluation System - shall mean the Department’s Enterprise application Consultant Evaluation System where evaluations are created and stored for future use.</p> <p>Contract - shall mean the executed agreement (“Agreement”) between the North Carolina Department of Transportation (NCDOT) and an entity, covering the performance of the work and the compensation. The term “contract” is a generic term for any number of document types referred to herein, i.e., Professional Services Contract, Limited Services Agreement, Project-Specific Contract, etc.</p> <p>Contract Administrator (CA) - shall mean a Department employee whose duties include developing, entering or changing contracts.</p> <p>Cost Plus - shall mean a method of compensation based on the actual allowable and documented cost for labor, overhead, and other non-salary direct costs incurred by the firm performing the work plus a pre-established profit percentage.</p> <p>Department - shall mean the North Carolina Department of Transportation (NCDOT).</p> <p>Division of Highways - shall mean the NCDOT Division of Highways, or DOH</p> <p>Limited Services Contract/Agreement - shall mean an “as-needed basis” contract established for a maximum dollar amount for professional or specialized services to be performed during a specified contract period. As needed during the</p>			

contract period, a scope of services, a schedule and terms of compensation are negotiated with the firm for the performance of an individual assignment of professional or specialized service, as defined by the Agreement or Contract.

Lump Sum - shall mean a fixed price including labor, overhead, non-salary direct costs and fixed fee for the performance of specific services.

Notice to Proceed (NTP) - shall mean a notification given by the Department's Project Manager to the consultant to begin work on the contract Scope of Services, or part thereof, on which date the timing of periodic evaluations of the consultant begins.

Process Owner - shall mean those who are responsible for the management of processes within an organization. The Technical Service Division will be responsible for monitoring and ensuring timely completion of Consultant Performance Evaluations.

Professional or Specialized Services - shall mean services such as, but not limited to, project management, construction engineering and inspection, feasibility studies, planning and environmental studies, preliminary engineering, design engineering, design, redesign, engineering, surveying, mapping, geotechnical investigations, architectural related services, visualization, simulation studies, technical assistance and transportation services studies.

Project Manager (PM) - shall mean a Department employee whose duties include managing professional service contracts between consultants and the Department.

Purchase Order (PO) - shall mean the document issued by the purchasing unit upon receipt of a requisition that authorizes a contractor to perform the work set forth in the contract. A PO has a unique number and designates specific work orders to which funds are encumbered.

Significant Activity - shall mean advancements in the project's schedule, budget, deliverables, or completion. Consultants will be evaluated for performing "*significant activity*" under an agreement.

Policy: CFR 172.9(d) (2),

The purpose of this policy is to establish a method for evaluating and reporting to the Department the work performance of professional services consultants under contract.

This policy establishes guidelines for the North Carolina Department of Transportation (NCDOT) Division of Highways Consultant Evaluation Process. Evaluation of consultant performance is essential to the Department's procurement process and the effective management of quality based professional services consultants. In accordance with 23 CFR 172.9(d)(2), each Division/ Branch/Unit under the Division of Highways (DOH) is to routinely evaluate the performance of all professional services consultants (see Frequency section). Evaluations are not intended for contractors who bid on construction projects.

It is the responsibility of the NCDOT Project Manager/Contract Administrator and/or each Division or Unit involved in the contract to evaluate and note the prime and/or sub-consultant performance for all significant activity completed during the rating period (see Definitions section).

Assessing consultant performance is a standard business practice required to ensure the Department receives quality deliverables at a fair and reasonable value. The purpose of Consultant Evaluation is to determine the quality of consultant services, provide feedback on consultant performance, document when there is need for improvement, and document specific instances that require immediate resolution. The evaluation gives the consultant a written record of performance. In addition, Consultant Evaluation scores are to be used as an element in the process of future selections.

Scope: This policy applies to each Division/Branch/Unit under the Division of Highways (DOH) which is required to evaluate the performance of firms under contract. This procedure applies to all professional services contracts. Principal users of this policy/procedure will be NCDOT Project Managers/Contract Administrators.

Procedures: The following Consultant Evaluation procedure establishes guidelines for the evaluation of consultant performance of work for professional or specialized services and which are executed in connection with the planning, design, asset management, , general engineering services, construction, and inspection of the transportation infrastructure.

Expectations:

The goals and objectives of NCDOT's evaluation process should be clearly understood by NCDOT and the consultant prior to the Notice to Proceed (NTP). To ensure all parties' understanding, the Project Manager (PM)/Contract Administrator (CA) will discuss the evaluation criteria, expectations, deliverables, and timing of evaluations before the consultant begins work. Ideally, this should be done at the initial scoping meeting and in correspondence transmitting the engineering agreement.

Responsibilities:

The PM/CA's responsibilities include ensuring that the work being pursued is complete, accurate, and consistent with the terms of the contract; scheduling and attending progress meetings with the firm where necessary; being involved in decisions leading to contract modifications; being familiar with the qualifications and responsibilities of the firm; and assuring that costs billed are consistent with the acceptability and progress of the firm's work.

The PM/CA is also responsible for completing interim and final performance evaluations on all work. In some instances, the PM/CA may need to coordinate with other DOH units as needed to complete the evaluation. PM/CAs are responsible for communicating with the firm on regular intervals between required evaluations to ensure issues are resolved in a timely manner. The evaluation includes, but is not limited to, an evaluation of such items as the quality of work, timely completion of the work, and conformance with established policy (see *Performance Criteria* section). Interim and/or final performance evaluations will be sent to the firm for its review and/or comment following the completion of contracted work or completion of critical phases of work.

Frequency:

Consultant evaluations are conducted at different timeframes for each DOH unit. The frequency of the evaluations should align with project deliverables and be often enough to affect changes in performance if they are needed.

Minimum Rating Period:

For contracts with short durations (less than 1 year) and narrow scopes, an evaluation is due no later than 30 days after completion and acceptance of contracted work or receipt of final invoice.

For contracts with long durations (greater than 1 year) and broader scopes, an interim evaluation is due once every six (6) months from the NTP date as long as the contract is open, or more often as specified by the PM/CA. A final evaluation is due no later than 30 days after completion and acceptance of contracted work.

For all contracts, additional evaluations may be submitted upon completion of critical phases of work, such as preliminary design, submittal of draft environmental documents, phase submittals, reports, and completion of task orders. Reasons to be considered for submitting additional evaluations include:

- Recognition of outstanding performance
- Notification of poor performance
- Requests from the consultant based on possible improved performance

If no work has been performed within an evaluation period, but the contract is still open, the PM/CA will fill out the basic information on the Consultant Evaluation Form and indicate that no work was performed.

Electronic Form:

The Consultant Evaluation Form can be accessed at [Consultant Evaluation Management System](#). The PM/CA will review and compare deliverables to standard criteria (see *Performance Criteria below*) and complete all fields on the online form (including comments). The PM/CA will affix a digital signature to the form and forward the evaluation to the consultant (for review and/or comment and signature) and cc: NCDOT supervisor. See the Job Aid for instructions.

Note: At the discretion of the Division/Branch/Unit, the PM/CA may forward the evaluation to the NCDOT supervisor for review and approval, and the supervisor will forward the evaluation to the consultant and cc: PM/CA.

In cases where there are unit-specific evaluation criteria, databases, spreadsheets, or forms, these may be used to supplement the standard Consultant Evaluation Form. If the unit is performing the review for another business unit and has no knowledge of the consultant's performance on certain criteria, the evaluator may mark "N/A" on the form.

Performance Criteria:

Evaluation criteria can vary depending on the needs of the Division/Branch/Unit, however at a minimum, NCDOT will evaluate firms on the following criteria:

- Adherence to schedule
- Adherence to scope and budget
- Quality/Accuracy of the work performed
- Amount of assistance and coordination required
- Responsiveness
- Expertise exhibited

Performance Criteria Explanation	
1. Adherence to Schedule	Did Consultant Meet Project Schedule?
2. Adherence to Scope and Budget	Did Consultant Maintain Scope and Budget?
3. Quality / Accuracy of the Work Performed	Did Consultant produce quality products or were products returned for substantial corrections?
4. Amount of Assistance and Coordination Required	Was Consultant self-sufficient or did the Consultant require additional assistance?
5. Responsiveness	Was Consultant responsive in corrections and other requests of NCDOT? (returning calls, answering emails, being available for meetings) Was Consultant proactive in communications with the Department?
6. Expertise Exhibited	Did Consultant place appropriate staff in roles to benefit the project?

Performance Scores: NCDOT will use a uniform evaluation scale. The scoring will consist of a 5-point scale as follows:

- 5 – Outstanding
- 4 – Very Good
- 3 – Acceptable
- 2 – Needs Improvement
- 1 – Unacceptable

Comments are required for each assigned rating. For firms receiving an **evaluation rating of “1” or “2” on any criteria**, a detailed explanation is *required* outlining the performance issue and necessary corrective action(s). **The evaluation should not be used as the first communication of issue or praise to consultants.** Work with consultants to correct issues in the interim.

Document Management:

Save the completed Consultant Evaluation Form to the designated system for future use. Any written comments submitted by the firm should be attached to the evaluation. Keep a copy in your unit/division file.

Evaluation Data Use:

Completed evaluations shall be retained for five (5) years. The Consultant Evaluation scores will be available to future selection committees and should be reviewed during the shortlist meeting for new procurements.

Appeals Process:

The intent of the appeals process is to foster documented dialogue which explains both NCDOT and the Consultant's perspective and allows NCDOT PM/CAs to use their professional judgment when reviewing the evaluation and all supporting documents.

Evaluations are generally signed by the NCDOT's PM/CA and the Consultant's project manager. The Consultant's signature on the Evaluation Form is certification that the Consultant has been provided the opportunity to review and provide comments regarding the Department's evaluation and comments.

Signing the evaluation does not necessarily indicate that the Consultant agrees with the evaluation or comments provided. If the Consultant disagrees with the evaluation rating and/or comments the Consultant *must still sign* the evaluation and may provide a written response on the Evaluation Form. The signed performance evaluation should be returned to the Department within 10 business days after receiving the evaluation.

All ratings provided on the performance evaluation are final unless justification is provided to and approved by NCDOT. NCDOT reserves the right to revise a performance evaluation based upon supporting documentation presented by the consultant. If a Consultant intends to appeal their evaluation, supporting documentation defining why a change should be considered will need to be sent to the NCDOT's PM/CA within 10 business days of receipt of the evaluation.

Within those 10 business days, the Consultant may also request a meeting with the PM/CA to resolve any differences. At the completion of the meeting the PM/CA will add supporting documentation to the electronic evaluation indicating the outcome of the meeting, or if needed, revise the evaluation. Supporting documentation may include but not be limited to, corrective action plans, additional comments from the Consultant, or comments from the PM/CA acknowledging an alternative position regarding the evaluation.

If the Consultant and the PM/CA cannot resolve the dispute, the issue can be escalated to a higher level of management, Unit Head or Division Engineer. The assessment in the Consultant Evaluation System will be revised accordingly, depending on the outcome of the Consultant's appeal.

Performance Evaluation Scoring Guidelines

Consultants will be evaluated using the ratings and corresponding scores indicated below. The descriptions should be used by PMs/CAs as general guidelines for scoring. The evaluation guidelines are not designed to be inclusive of all situations; they are intended to provide PMs/CAs with a general framework to assist in the completion of an evaluation.

The effective management of consultant performance through documented feedback is essential to managing successful projects. Written comments are *required* for each assigned rating. For firms receiving an evaluation rating of “1 or 2”, a detailed explanation is required outlining the performance issue and necessary corrective action(s). Consultants rely on this information

to address problems, to improve their processes, products and management, and assign resources properly for future opportunities.

When writing comments, provide specific (e.g., what the firm did well, what should be different; was project management adequate, and if not, why; was sub-consultant use helpful to project execution, and if not, why).

The requirement for written evaluations does not rule out the option to meet with the Consultant when issues occur and improvement is needed related to performance on a given assignment, particularly if issues arise that affect deliverables. Proactive communication serves both the Consultant and NCDOT.

Performance Scores		
Rating	Score	Description of Rating
Outstanding	5	Performance for the reporting period exceeds most contractual, technical, or professional requirements. Extraordinary performance may reflect some of the following achievements: time-savings, cost-savings, innovation, efficiencies, quality deliverables, quality service, safety and overall the Consultant being proactive and going above and beyond the expectations of the Department, the contract and the PM/CA.
Very Good	4	Performance for the reporting period occasionally exceeds contractual, technical, or professional requirements. Extraordinary performance may reflect some of the following achievements: time-savings, cost-savings, innovation, efficiencies, quality deliverables, quality service, safety and overall the Consultant being proactive and going above and beyond the expectations of the Department, the contract and the PM/CA.
Acceptable	3	Performance for the reporting period meets contractual, technical, or professional requirements. May have had some problems; however, corrective actions were taken by the PEF and are satisfactory. Problems have not been repetitive.
Needs Improvement	2	Performance for the reporting period does not meet some contractual, technical, or professional requirements. Multiple or significant problems; corrective actions have not been satisfactory or have not been fully implemented
Unacceptable	1	Performance for the reporting period consistently fails to meet contractual technical or professional requirements. Corrective actions were not taken by the PEF.

Suggestions: PMs/CAs may want to consult with other project participants when evaluating consultants. Be fair and objective – acknowledge the Consultant’s efforts to meet / exceed the requirements and acknowledge NCDOT’s actions that may have hindered the Consultant’s efforts to meet these requirements.

Related Documents:

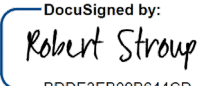
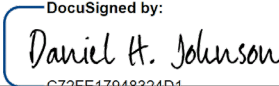
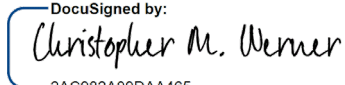
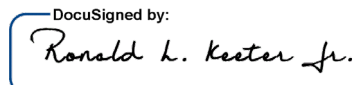
Completing an Electronic Consultant Evaluation Job Aid

Revision History

Revision Date	Revision Number	Description
10/22/2020	0	Approved.

Policy Approval

Signing below certifies that the aforementioned policy has been vetted by the business area representative, applicable legal counsel (AG's office, etc.), and executive staff member(s).

Business Area Representative	DocuSigned by:  _____ BDD E3EB89B644ED... Signature	_____ 12/18/2020 _____ Date
Legal Counsel <i>(Responsible for the Unit)</i>	DocuSigned by:  _____ C72FE17948324D1... Signature	_____ 12/21/2020 _____ Date
Executive Staff Member <i>(Responsible for the Unit)</i>	DocuSigned by:  _____ 2AC902A09DAA465... Signature	_____ 1/3/2021 _____ Date
Executive Staff Member <i>(Responsible for the Unit)</i>	DocuSigned by:  _____ F03CBB5C6D2D4C6... Signature	_____ 1/4/2021 _____ Date
Executive Staff Member <i>(Responsible for the Unit)</i>	_____ Signature	_____ _____ Date