

PROCESS IMPROVEMENTS

JULY 2020

The Division of Aviation (DOA) has been working on several items to help standardize processes and procedures that will ultimately result in expedited review of documentation from Sponsors and their Consultants. These changes are outlined below and are effective immediately, unless otherwise stated. The DOA appreciates your continued support as we find innovative and strategic ways of doing business.

OVERHEAD & HOURLY RATES

In 2019, the Professional Services Management Unit (PSMU) at NCDOT released a new system for use by NCDOT and firms that do business with them called the Consultant Rate System (CRS). CRS is an electronic system designed to store firms rates and will allow NCDOT access to consultant rates for reviewing contracts in almost real-time. Use of and approval through CRS will be required for all firms next rate update. This will result in faster responses to Work Authorization reviews and reviews of invoices. The [Private Engineering Firms- Steps to Prepare for the NCDOT Consultant Rate System](#) document provides guidance on what should be complete prior to attempting to enter rates into CRS for approval. After following the guidance in the document mentioned above, the [CRS Help Document](#) should be utilized to guide you through the process of entering rates into CRS. Below are a few items to note about CRS:

- Access to the information input by consultants is extremely limited by access protocols in place by PSMU. CRS can only be accessed after approval by PSMU is granted.
- Blended rates cannot be used as certified rates. Actual hourly rates must be used for employees. However, blended rates may be used in Work Authorizations as long as all rates used to create the blended rate are in CRS.
- Alteration of employees working on a project must be coordinated with your Airport Project Manager (APM) to ensure the correct hourly rates are being used.
- CRS takes the place of the current method of approval for audited overhead, employee and cost of capital rates. The Office of the Inspector General (OIG) will still review and approve rates.

GUIDANCE ON SUBCONSULTANTS

1. Overhead & hourly rates will be verified just like prime consultants for contracts exceeding 20% of total Work Authorization amount. To do so, these rates must be included in the scope provided.

2. Work Authorization Amendments- Overhead and raw hourly rates, man hours, profit and direct expenses will not be reviewed unless the total amount of work being completed by the subconsultant is greater than or equal to \$10k or 20% of the total Work Authorization amendment, whichever is greater.

ON-CALL CONTRACTS

Use of the Kitchen Sink is no longer required for on-call contracts. Eliminating the use of the Kitchen Sink results in the contracting process being very similar to how Work Authorizations are reviewed for scope and fee reasonability. For all future on-call contracts Sponsors and their consultant should:

1. Submit their scope and manhour estimate in their traditional format. No modifications needed. Remember that the manhour estimate should include overhead and hourly rates and direct expenses.

2. Complete the AV-521 On-Call Summary Form provided on the DOA Connect website. The summary form will assist in expediting the contract review by OIG. The form should be submitted with the scope and manhour estimate.

PROFIT

The maximum allowable profit for all professional service contracts with DOA is now 11%. Requests for profit exceeding 11% must be given prior approval by the APM. Using a lower profit percentage is at the discretion of the Sponsor.

WORK AUTHORIZATION GUIDANCE

1. AV-516 Work Authorization Outline- This outline is to be used to guide development of Work Authorizations. It captures everything that should be included in a Work Authorization to ensure that the scope is adequately defined and to eliminate gray areas as much as possible. Included in each section of the outline is a list of deliverables that are to be provided at the end of each phase of a project. The outline should also be used to ensure that the effort required to complete what DOA expects from each project is captured in the Work Authorization so that the need for amendments is decreased. The Work Authorization Outline is intended to be used in conjunction with the Work Authorization Checklist.

2. AV-517 Work Authorization Checklist- This checklist correlates directly with the AV-516 Work Authorization Outline discussed above. You and your consultant are to use the checklist to ensure that everything provided in the outline is addressed. Additionally, the location of each item should be provided on the checklist to expedite the review of the Work Authorization. Upon completion of the Checklist, both you and your consultant should read the certifications located at the end, and sign if you're in agreement. The Work Authorization Checklist is not required with the submittal of Work Authorizations at this time, but DOA anticipates this becoming a requirement in the future. Prior to the checklist becoming a requirement we intend to assemble a group of Sponsors and Consultants to discuss the checklist and discuss how it can be improved. We hope that you will use the outline to guide your review of Work Authorizations before submittal to your APM for review.

FIXED FEES

NCDOT does not allow fixed fees and DOA has been asked to adhere to this policy moving forward. Oversight and coordination with subconsultants are to be handled by including hours in the manhour estimate.

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CLOSE-OUT DOCUMENTATION GUIDANCE

1. AV-518 Engineer's Design Report Outline- This outline provides instruction based on FAA guidance on what is expected to be provided with the submittal of the 90% design plans for a project. Submittal of the documentation and information provided in the outline ensures that all aspects of the design have been considered and that you and DOA are as informed as possible about the project moving forward. Unless approved by your APM, all items in the Outline are to be addressed.

2. AV-519 Engineer's Construction Report Outline- This outline provides instruction based on FAA guidance on what is expected to be provided upon completion of construction. Submittal of the documentation and information provided in the Outline ensures that you were provided a satisfactory product and that close-out of the grant for the project can be completed in a timely manner. Unless approved by your APM, all items in the Outline are to be addressed.

LUMP SUM CONTRACTS

Direct expenses and subconsultant contracts will be reviewed with each Work Authorization. Therefore, the following items are no longer required for lump sum contract reimbursement requests:

1. Documentation for direct expenses. Lodging receipts, mileage logs, and time sheets will not be required

2. Subconsultant invoices.

AV-520 ENGINEER'S DESIGN & CONSTRUCTION PROCEDURES

This new guidance is being provided to assist consultants in ensuring that all steps of a project are completed and completed in the correct order. Following these newly developed procedures will make the project delivery process more consistent and efficient.

AV-100 PROJECT DEVELOPMENT CHECKLIST

The AV-100 has been updated to reflect all new guidance outlined and should be used moving forward.

All guidance documents outlined in this publication are now available on the [DOA Connect website](#).