

Village of Mt. Zion



Qualification Based Selection Process

Professional Services Procurement Process

Village of Mt. Zion
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Introduction and Purpose

These policies and procedures are established as a guide for the preparation, execution and administration of contracts for professional or specialized engineering services that exceed \$25,000 and which are executed in connection with the planning, design, maintenance, repair, and construction of transportation in accordance with the Brooks Act (40 U.S.C. 1101 - 1104), the Illinois Local Government Professional Services Selection Act (50 ILCS 510), and 23 Code of Federal Regulations Part 172 entitled "Procurement, Management, and Administration of Engineering and Design Related Services".

The implementation of these procedures will ensure that a qualified Firm is obtained through an equitable selection process and that the prescribed work is properly accomplished in a timely manner and at a fair and reasonable cost.

The Village of Mt. Zion, as a direct recipient and/or sub-recipient of Federal Aid Highway Funds, must comply with all applicable rules and regulations pertaining to the use of said funds. Therefore, the Village of Mt. Zion agrees to maintain written policies and procedures for the procurement, management, and administration of professional and specialized engineering services contracts, including those related to planning, studies, environmental analyses, engineering and design to the extent that engineering services are specified in the scope of work.

Certification and Prequalification

The Village of Mt. Zion is committed to ensuring that all qualified businesses have the opportunity to participate in professional and specialized engineering services contracts. The Village of Mt. Zion shall ensure that Disadvantaged Business Enterprises (DBE) have an opportunity to participate in the performance of contracts financed in whole or in part with federal and state funds. When DBE program participation goals cannot be met through race-neutral measures, additional DBE participation on engineering and design related service contracts may be achieved in accordance with IDOT's FHWA approved DBE program by the use of an evaluation criterion in the qualifications-based selection of consultants or the establishment of a contract participation goal. However, the use of quotas or set-asides for DBE consultants is prohibited.

IDOT maintains a list of certified DBE private consulting firms as an informational source for prime contractors, subcontractors, and consultants as well as local and federal agencies.

Prequalification

IDOT maintains a List of Prequalified Private Consulting Firms (The Directory of Firms) that have been approved to perform professional or specialized services. Firms must be prequalified to perform the specific discipline of work or service it will be performing on a project for the Village of Mt. Zion. Prequalification by IDOT does not relieve the Firm of responsibility for determining if sub-consultants they may select are, in fact, qualified to perform the work for which it is engaged.

A Firm is required to be prequalified prior to submitting its Letter of Interest for any advertised project.

Procurement Methods

The procurement of professional and specialized engineering services funded by either State or Federal Aid Highway Program funds shall be conducted in accordance with one of four (4) methods:

1. Competitive negotiation (qualifications-based selection) procurement

The Village will use a competitive negotiation method for the procurement of engineering and design related services when either State or Federal Aid Highway Program funds are involved in the contract. The solicitation, evaluation, ranking, selection, and negotiation will comply with the qualification-based selection procurement procedure for architectural and engineering services.

2. Small Purchasing Threshold Procurement

The Village may procure engineering and design related services without a QBS when a contract does not exceed \$25,000. The following restrictions shall apply to the use of this procurement method:

- a. The scope of work, project phases, and contract requirements shall not be broken down into smaller components solely to permit the use of small purchase procedures.
- b. A minimum of three proposals must be reviewed. In cases where only two qualified Firms respond to the solicitation, the Village may proceed with evaluation and selection as long as the solicitation did not contain conditions or requirements which arbitrarily limited competition. The Village may pursue procurement following the noncompetitive method when competition is determined to be inadequate and it is determined to not be feasible or practical to compete again under a new solicitation.
- c. Negotiated contract costs must pass the allowability test for federal cost principles.
- d. The full amount of any contract modification or amendment that would cause the total contract amount to exceed \$25,000 is ineligible for Federal-aid funding. The FHWA may withdraw all Federal-aid from a contract if it is modified or amended above the established small purchase threshold.

3. Non-competitive procurement – EMERGENCY CONDITIONS

When an emergency occurs, these procedures, or portions thereof, may be waived by the Mayor or his/her designee. In an emergency, a professional/specialized Firm may be selected, negotiations conducted, and a contract executed at the direction of the Mayor or designee as necessary to address the emergency conditions. When Federal-Aid Highway funds are used in the contract, the Village Administrator or designee shall submit justification for emergency selection and receive approval from FHWA before proceeding with the procurement of services, if required by FHWA.

4. Non-competitive procurement – SOLE SOURCE

These procedures, or portions thereof, may be waived by the Mayor, or his/her designee, for the sole source selection of a Firm under any of the following conditions:

- a. Sole source selection may be used when the service is available only from a single source;
- b. Sole source selection may be used after solicitation of a number of sources, competition is determined to be inadequate; or
- c. Sole source selection may be used when it has been determined that there is an emergency which does not permit time to conduct contract negotiations.

Sole source selection may only be used when it is in the public interest and economically advantageous to the Village. Selection of a sole source Firm will be contingent upon satisfactory negotiation for the service.

When Federal-Aid Highway funds are involved, the Village Administrator shall submit justification for sole source selection and receive approval from IDOT and/or FHWA prior to proceeding, if required by IDOT/FHWA.

Procurement Process

Generally, all competitive procurements for professional or specialized engineering services will follow prescribed steps to ensure consistency, transparency and equity in the process. Following are the high-level steps that are used to solicit and award contracts (i.e. Limited Services Agreements, Project-Specific Contracts, and Multiphase Contracts) to qualified Firms:

- 1. Solicit Letters of Interest (LOI)**
- 2. Assemble the Selection Committee**
- 3. Select the Firm(s)**
- 4. Negotiate the Contract**
- 5. Execute the Contract**

(Note: Sections A, B, C do not necessarily apply to POs under LSCs)

1. Solicit Letters of Interest (LOI)

The Village Administrator is responsible for determining when professional or specialized engineering services are needed. Upon determining need, the Village Administrator shall request approval from the Village Board to solicit Letters of Interest (LOI). The request shall be in writing and shall include the type of services and a project description.

The Village Administrator, or his/her designee, shall be responsible for preparing the request for LOI. The request shall contain information describing the location of the project(s) (if applicable); the types and scopes of services that reflect a clear, accurate, and detailed description of the technical requirements for the services to be rendered; shall specify length of contract and the method(s) of payment, the estimated procurement schedule, and shall indicate the evaluation criteria to be used in the selection process, along with the respective weights for each evaluation factor.

Letters of Interest will be solicited to determine the Firms interested and capable of performing professional or specialized engineering services within the desired time period. Solicitation shall be by published advertisement in a newspaper with local circulation. The Village will also advertise via their website and other available online sources. Solicitation for LOIs may also be by direct contact to selected

Firms from the IDOT List of Prequalified Private Consulting Firms found in the Directory of Transportation Firms prequalified in the required services.

LOIs shall be submitted to the Village Administrator by the date designated in the advertisement. Deviation from prescribed terms in the advertisement may result in an automatic disqualification of the Firm for the advertised work, unless such instance is waived by the Village Board.

A copy of the advertisement and LOI submitted by the selected Firm and the first and second alternate shall be maintained by the Village Clerk.

2. Assemble the Selection Committee

The Selection Committee will consist of a Chairperson and a minimum of two (2) other members with experience in the type of service(s) to be contracted, or as designated by the Mayor. The Chairperson will be the Village Administrator. The other members may be other stakeholder representatives, with an emphasis on members that will be directly impacted by the work. All will be appointed on a case-by-case basis. When federal funds are used as compensation for solicited services, a representative of the FHWA will be invited to sit with the committee.

No employee of the contracting agency shall participate in the selection, award, or administration of a contract if a conflict of interest, real or apparent, could be involved. Based on the input from the Selection Committee, the Chairperson, in consultation with the Mayor, will be responsible for the final recommendation to the Village Board on the approval of a professional or specialized engineering services Firm. The Village Board will have final contract approval.

The Selection Committee shall evaluate consultant proposals based on the criteria established and published within the public solicitation. While the contract is with the consultant, proposal evaluations shall consider the qualifications of the consultant and identified sub-consultants within the proposal as it pertains to the scope of work and established criteria.

3. Select the Firm(s)

Evaluation of the interest expressed by qualified Firms is based on the evaluation factors and respective weights specifically stated in the solicitation, and any other data pertinent to the contract under consideration. This may include past performance, applicable work experience, present workload, project team, staffing capabilities, capacity, etc.

Criteria used for evaluating, ranking, and selecting consultants to perform professional and specialized engineering services must assess proven, demonstrated competence and qualification for the type of professional services solicited.

Qualification-based factors may include, but are not limited to, technical approach (e.g., project understanding, innovative concepts or alternatives, quality control procedures), work experience, specialized expertise, professional licensure, staff capability, workload capacity, and past performance.

- Price shall not be used as a factor in the evaluation, ranking, and selection phase. All price or cost related items which include, but are not limited to, cost proposals, direct salaries/wage rates, indirect cost rates, and other direct costs are prohibited from use in evaluation criteria.
- In-State or local *preference* shall not be used as a factor in the evaluation, ranking, and selection phase.

The following non-qualification based evaluation criteria are permitted as follows and provided the combined total of these criteria do not exceed a nominal value of 10 percent of the total evaluation criteria to maintain the integrity of a qualification-based selection:

- A local *presence* may be used as a nominal evaluation factor where appropriate. This criteria shall not be based on political or jurisdictional boundaries and may be applied on a project-by-project basis for contracts where a need has been established for a consultant to provide a local presence, a local presence will add value to the quality and efficiency of the project, and application of this criteria leaves an appropriate number of qualified consultants, given the nature and size of the project. If a consultant from outside of the locality area indicates as part of a proposal that it will satisfy the criteria in some manner, such as establishing a local project office, that commitment shall be considered to have satisfied the local presence criteria.
- The participation of qualified and certified Disadvantaged Business Enterprise (DBE) sub-consultants may be used as a nominal evaluation criterion where appropriate in accordance with 49 CFR Part 26 and the IDOT's FHWA-approved DBE program. The Firm, sub-consultant, and sub-firm shall not discriminate on the basis of race, religion, color, creed, national origin, age, disability/handicap or sex in the performance of a contract.

The Selection Committee shall review and evaluate all responsive LOI submittals. For Limited Services Contracts, the Selection Committee may choose any number of Firms to provide the services solicited. For Project-Specific Contracts, or Multiphase Contracts, the Selection Committee may, at the Transportation Committee's discretion, shortlist a minimum of three (3) Firms to be interviewed from those deemed most qualified (except where fewer than three (3) are available). These Firms shall be listed in descending order of preference based on the Selection Committee's review and analysis of the Letters of Interest. The Committee may elect to interview all or some of these Firms prior to establishing the order of preference.

When several projects are under consideration simultaneously, a Firm shall be selected for each project and two (2) alternates may be selected for the entire group at the discretion of the Selection Committee.

When selecting Firms for Limited Services Agreements, alternates need not be selected.

The Village Administrator shall notify the Firm(s) chosen by the Selection Committee and request salary rates, overhead rates, etc., and request a meeting to review the scope of services.

A copy of the evaluation of the Firms and the results of the Selection Committee meeting shall be maintained by the Village Clerk.

4. Negotiate the Contract

This section is tailored to negotiating a Limited Services, Project-Specific or Multiphase Contract. The process is similar for negotiation of Purchase Orders assigned under Limited Services Contracts.

A meeting with the selected Firm shall be scheduled to discuss the scope of the proposed services. The discussions will vary depending upon the Firm's familiarity with the Village of Mt. Zion (or IDOT) methods, policies, standards, etc. For Firms unfamiliar with the requirements, the meeting should include review and discussion of the following:

- (a) Copies of examples of similar work;
- (b) Standards, specifications, manuals, etc. to be used;
- (c) Policies followed by the Village of Mt. Zion/IDOT for the type of work involved;
- (d) A contract in draft form;
- (e) Methods of payment;
- (f) Procedures for invoicing;
- (g) Standard forms to be used;
- (h) Fiscal requirements; and
- (i) Items and/or services to be provided by the Village of Mt. Zion.

A representative of the Firm shall keep minutes of the scoping meeting and will submit a copy to the Village Administrator. The minutes shall be reviewed for completeness, accuracy, and confirmation of mutual understanding of the scope of services.

Once the details of the scope of services are resolved, the Village Administrator, or their designee, shall prepare a cost estimate for the work. The in-house estimate will be used in evaluating reasonableness of the selected Firm's cost proposal. The in-house estimate must use reasonable wage rates based on the classification, experience, and responsibilities for the proposed work. If wage rate benchmarks have not been established, then the Village will use the Consultant's actual rates for the estimate.

The in-house estimate must be completed prior to opening the cost proposal submitted from the selected Firm.

The format used for preparing the in-house estimate will vary from project to project, and work area to work area, depending on the type and scope of services required. Typically, the format will include an estimate of the workdays required by classification, the direct labor cost, the overhead cost, the fee (profit or operating margin) and the necessary direct expenses.

The Firm will prepare a cost proposal for performing the required services. The Firm's cost proposal shall be supported by a breakdown of the workdays required to perform each of the services contained in the contract and the salary range/rate for each classification of personnel utilized. The Firm's cost proposal must include supporting documentation for payroll additives, direct costs, indirect costs, fees, and overhead, as described.

Upon receipt of the Firm's cost proposal, the Village Administrator, or their designee, shall review the submitted material, compare the in-house estimate with the cost proposal, and determine both the reasonableness of the proposal and the areas of substantial difference which may require further discussion and negotiation.

The application of negotiation parameters (i.e. in-house and consultant man-days within prescribed tolerances) with the Village Administrator's approval and/or in-house and consultant cost within prescribed tolerances with the Village Administrator's approval, are used to determine if further negotiation is necessary. These parameters are not designed to limit the value of the contract, but rather serve as a checkpoint to ensure the scope of services is mutually understood.

A pre-negotiation audit may be requested by the Village to provide necessary data to affirm the Firm has an acceptable accounting system, adequate and proper justification for the various rates charged to perform the work. For contracts less than \$250,000, a pre-negotiation audit may be requested when there is either insufficient knowledge of the Firm's accounting system, previous unfavorable experience regarding the reliability of the Firm's accounting system, procurement of new equipment or supplies for which cost experience is lacking, or as requested by the Village Administrator.

The use of an independent audit, an audit performed by another State/Federal agency, or an audit performed by another local government agency is acceptable.

The Village Administrator shall use all resources available to conduct effective negotiations including, but not limited to, the refined scope of services, the evaluation factors and its relative importance, the in-house cost estimate, and the pre-negotiation audit and audit report if one is requested by the Village.

Negotiations shall be conducted separately for man-days and for any of the dollar amounts for elements of cost, fee, and overhead except for contracts involving cost per unit of work and specific rates of compensation.

When a joint venture of Firms desire to enter into a contract with the Village, the joint venture will designate a representative to act as the sole authority for the purpose of negotiation.

If the Firm's original cost proposal (excluding indirect cost rate) is greater than 50% above the comparable in-house estimate and it is determined the Firm understands the scope of work, the Village Administrator may choose to not enter into negotiation with the selected Firm. The selected Firm will be provided written notice of this intent. The Village Administrator will begin scoping and negotiation with the Firm chosen as first alternate.

The Village Administrator shall maintain records of negotiations to document negotiation activities and to set forth the resources considered. This record shall include the minutes of the scoping meeting, a record of the original in-house estimate and any revisions, the final in-house estimate, a record of the Firm's original cost proposal and each subsequent submittal, the final cost proposal, the request for a pre-negotiation audit, the audit report, and the response to the pre-negotiation audit if requested.

5. Execute the Contract

Upon completion of final negotiations, the Firm shall execute the contract through Village-approved means.



After award by the Village Board and approval by IDOT, if required, the Mayor will execute the contract. The Village Administrator will transmit a fully-executed contract to the Firm with a written notice to proceed and shall retain one original contract in the project file.