

PROFESSIONAL SERVICES

Professional Services provide technical expertise in the planning and design phase of a project. Specialists that may be engaged for the design of the project include architects, engineers, and landscape architects, among others.

POLICY: Requirements for Professional Services (architecture and engineering) must be publicly announced, acquired on the basis of **qualifications**, and engaged at a fair and reasonable price. All consultants and subconsultants used by a LGA must be prequalified by NCDOT. NCDOT must also review and approve the scope of work and cost proposal as well as the LGA's use of in-house staff.

Only Professional Services activities that directly contribute to the planning, design, development, or implementation of the project are eligible for Federal-aid participation, if PE is an eligible expense.

Professional Engineering Firms must be pre-qualified by NCDOT before submitting a proposal. Information on pre-qualification can be found at www.ncdot.org/business/howtogetstarted/privateconsult/

- **Professional Services Associated with Preliminary Engineering:**
Conceptual plans, planning or environmental studies, preliminary design, final design, and all other related design work necessary to advance a project to physical construction. Examples include preparation of surveys, environmental documents, plans, specifications, and estimates, and construction proposals.

For projects that do not result in physical construction, this includes activities that are necessary for the development or implementation of the project. Examples include developing or preparing safety programs, feasibility studies, conceptual studies, or other planning documents.

- **Professional Services Associated with Right-of-Way**
All work associated with acquisition of property interests needed for the project. Examples include preparation of right-of-way plats, appraisals for parcel acquisitions, review of appraisals, preparation for and trial of condemnation cases, and furnishing of relocation advisory assistance.

NOTE: If ROW is not an eligible expense, then these Professional Services related to ROW would also not be an eligible expense.

- **Professional Services Associated with Construction**
Supervision and inspection of construction activities; additional staking functions considered necessary for effective control of the construction

operations; testing materials incorporated into construction; checking shop drawings*; and measurements needed for the preparation of pay estimates.
*This activity would be the responsibility of the Engineer of Record.

IMPORTANT: Professional Services associated with Construction are reimbursable under the Construction phase; however, procurement should not begin until after construction is authorized. NCDOT prohibits the same firm from undertaking design and construction administration on a project, therefore, a new procurement process will need to occur for this phase of work, after construction funding is authorized. See [Construction Administration](#) for more information.

PROCUREMENT OF ARCHITECTURE OR ENGINEERING SERVICES ONLY (A/E)

If an LGA engages outside professionals in the planning, design and administration of the project, the LGA must follow state and federal regulation. All procurement for professional services funded by federal-aid is governed by “Administration of Engineering and Design-Related Service Contracts” (23 CFR 172) and NCDOT’s *Policy and Procedures for Major Professional or Specialized Services Contracts*.

Professional Engineering Firms must be pre-qualified by NCDOT before submitting a proposal. Information on pre-qualification can be found at www.ncdot.org/business/howtogetstarted/privateconsult/

To identify whether a firm is already pre-qualified, visit the NCDOT homepage then click “Business”. On the left hand side is a link for the Directory of Transportation Firms.

PROCEDURE

1. Prepare Draft Request for Letters of Interest (RFLOI) either for Design or Construction Engineering and Inspection.
2. Submit for review to Program Manager (allow 2 weeks for comment).
3. Address/Revise per comments.

Do not proceed with the next step until you have notification in writing that PE funds have been authorized.

4. Advertise, announce, or otherwise publicly notify all requirements for services. The NCDOT website is available for posting an RFLOI.*
5. Select most qualified firm to undertake the work.

6. Schedule a Scoping Meeting with NCDOT staff. This step is only required, if the expected cost of the consultant contract will be greater than \$100,000.
 - Scoping Meeting will include staff from Planning and Roadway Design.
 - The meeting is intended to assist the LGA (if necessary) with clearly defining the expectation of NCDOT, so that the LGA can successfully negotiate tasks and activities with the consultant.

7. Request cost proposal from consultant, with the following information:
 - Tasks
 - Employees (Name and Title)
 - Man-Hours
 - Hourly Rates
 - Overhead
 - Cost of Capital (if applicable)

8. Submit the following to Program Manager (allow 30 days for review):
 - Template Letter from LGA Requesting Review of Proposal
 - Cost Proposal (as above)
 - Completed RS-2 forms (per the RFLOI)

9. Once comments are received from the Department, negotiate as allowed and/or enter into final contract. NCDOT reserves the right to limit reimbursement of eligible professional services expenses, based on review.

NOTE: If negotiations fail, release the firm, and repeat the process beginning at step 5 with next most-qualified firm. Repeat this process until a successful contract has been executed.

10. Submit a copy of the executed contract to Program Manager for project records.

*If expected cost of consultant contract is less than \$30,000, then the LGA does not need to formally advertise the proposed work; instead, the LGA should target a pool of 5 - 6 pre-qualified consultants, and request letters of interest. All other steps will be followed.

IMPORTANT: Although procurement under North Carolina General Statute 143-64.31 allows Local Governments to exempt themselves from qualifications-based selection process for any project in their discretion, federal regulations and NCDOT policy do not allow this. As such, LGAs must procure these services on a qualification-based selection process.

PROCUREMENT of PLANNING, PROGRAM IMPLEMENTATION or OTHER SERVICES

Any procurement of non-professional services, such as planning, program implementation, or studies that do not require a professional shall be in accordance with the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments, or the “Common Rule” (49 CFR 18), which allow a Local Government Agency to follow applicable state law for procurement.

Because the state law is generally silent on these “non-professional” procurement activities, the Common Rule provides the following guidance:

PROCEDURE (Competitive proposals)

- All requests will be publicized (newspaper, websites, or other method of public notice).
- Proposals should be solicited from an adequate number of sources.
- A method should be set for conducting technical evaluations of proposals and for selecting awardees.
- Awards should be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered.

NCDOT will not undertake a step-by-step review of process, selection, and negotiation of contract for “non-professional” procurement, but the LGA should document their procedures as part of the project file.

PROCEDURE (Non-Competitive proposals)

Procurement via non-competitive proposals may only be undertaken after a Public Interest Finding can justify non-competitive solicitation. Contact the Program Manager of the Federal-aid funding program to discuss if this option is applicable to the project.

IN-HOUSE STAFF

Federal funds may be used to reimburse direct costs of salaries, wages, and related payroll expenses of LGA employees, but only for those costs incurred when the LGA’s employees are directly engaged in eligible activities. Related payroll costs include travel, transportation, leave, holidays, social security, retirement, and other payroll benefits. Federal funds may also participate in the associated indirect costs – contact External Audit for Guidance.

NOTE: This does not include services of LGA staff that perform general administrative work. For example, attendance at project meetings by managers, technicians, or administrative staff not directly involved in the development or implementation of the project would not be eligible.

PROCEDURE (In-House Staff)

1. Submit a letter to NCDOT requesting the use of in-house staff to undertake a specified scope of work, document staff qualifications, staff time, wage rates and proposed equipment usage to show an estimate of costs:
 - Staff time (hours) for each phase of the work (e.g., survey, design, inspection, etc.). Staff time should be estimated separately for individual employees or classifications of employees.
 - Wage rates for each employee or classification of employee. Include supporting documentation that shows how the wage rates were calculated, including any payroll expenses that are part of the wage rate, such as IPERS, FICA, employee benefits, or other related payroll expenses.
 - Equipment usage and other design-related costs. Include supporting documentation to show how the estimated costs or cost rates were determined. Examples include: estimated CADD hours and rate, vehicle miles and rate, outside printing costs, etc.
2. NCDOT will respond in writing as to whether the decision to undertake this work in-house is acceptable.

CONTRACTS

The LGA should ensure that the contract between the LGA and the selected consultant includes applicable federal provisions, per the Project Agreement between NCDOT and the LGA. The contract should name NCDOT as a covered party for insurance.

RESOURCES:

- Template [Request for Letters of Interest \(LOI\)](#)
- Template [Letter from LGA Requesting Review of Proposal](#)
- [40 USC 1101, et seq.](#) - Selection of Architects and Engineers
- [23 CFR 172](#) - Administration of Engineering and Design Related Service Contracts
- FHWA Program Administration - [Consultant Services](#)
- [NCCGS 143](#), Article 3D - Procurement of Architectural, Engineering and Surveying Services

- [49 CFR 18.36\(d\)3\(v\)](#) Procurement – Qualifications-Based Procurement
- *NCDOT Policies and Procedures for Major Professional or Specialized Services Contracts*
- External Audit Requirements -
http://www.ncdot.org/doh/preconstruct/highway/roadway/eng_coord/Consultant/checklist.pdf