

Capital Contracting Office

CIP Partners Academy 2021/2022



Hello Welcome

Welcome to the 2021/2022 CIP Partners Academy



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CCO Hourly Rate Review and Approval Program



Today's Agenda



Review Statute

Hourly Rate Program

- Types
- Forms
- Counteroffers
- Titles
- Market Research
- Rates Database
- Renewals

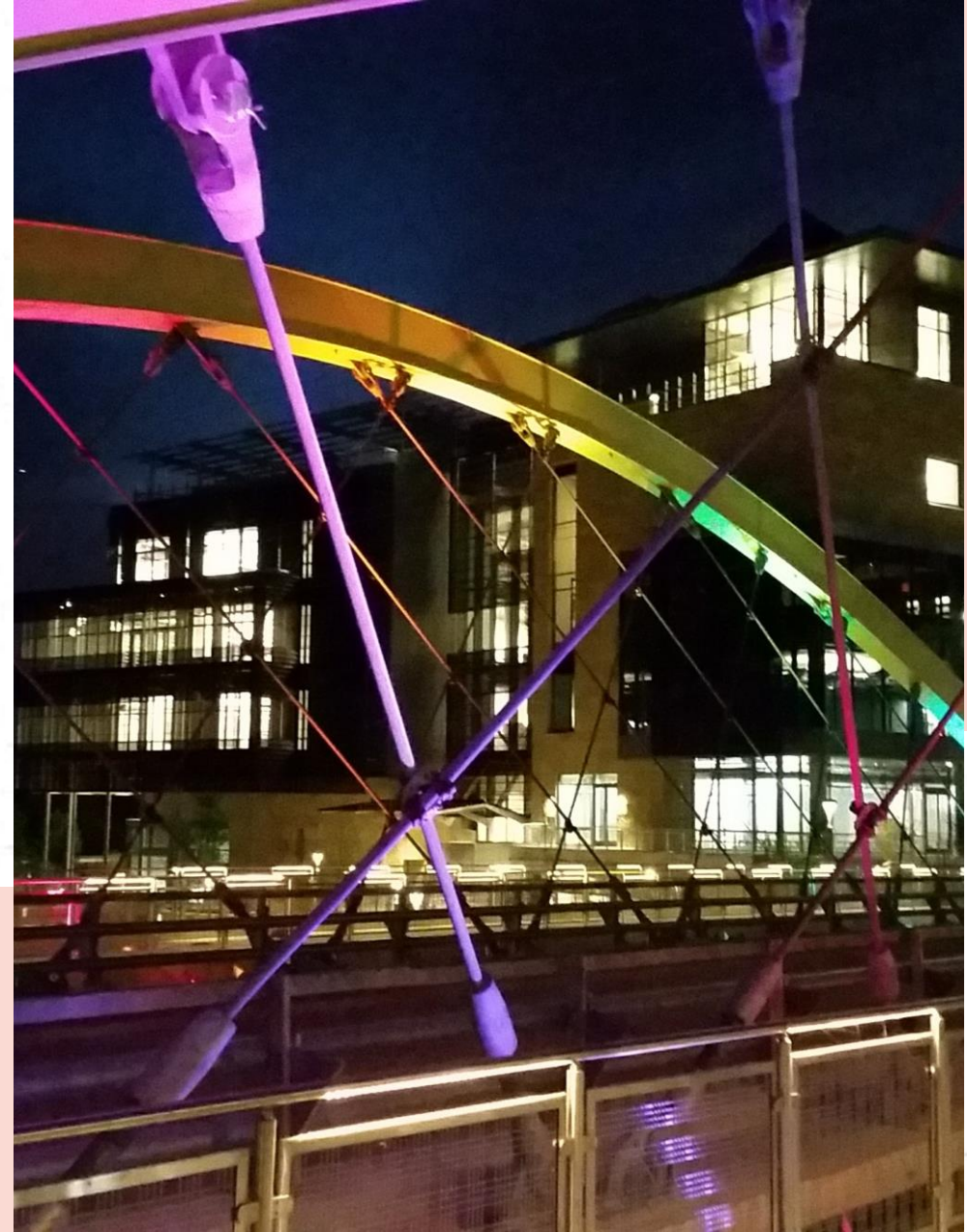
Special Rate Review Situation



The Authority

Sec. 2254.003. Selection of Provider; Fees.

- (a) A governmental entity may not select a provider of professional services or a group or association of providers or award a contract for the services on the basis of competitive bids submitted for the contract or for the services, but shall make the selection and award:
 - (1) on the basis of demonstrated competence and qualifications to perform the services; and
 - (2) then for a fair and reasonable price.



Hourly Rate Review Program

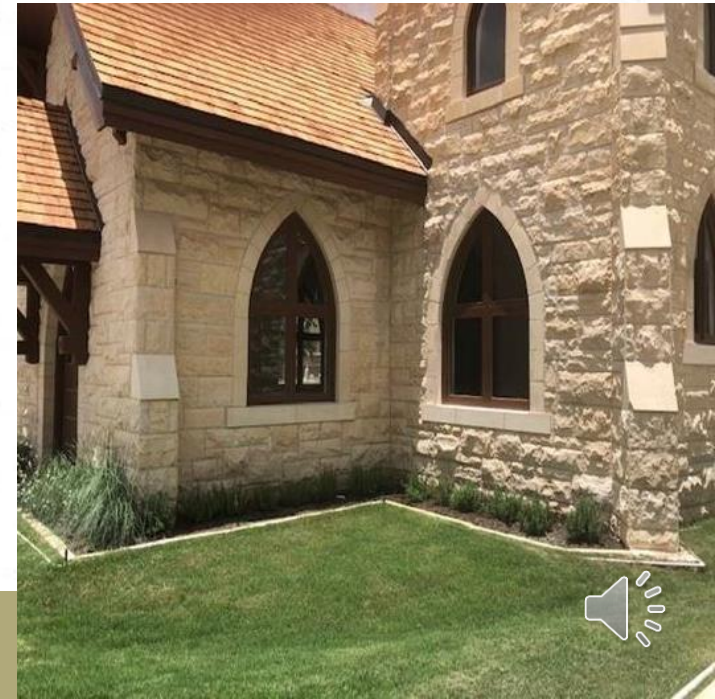
New 2-year Approval

We have changed the rate expirations from 1 year to 2 years, staggering this change to consultants in an alphabetical order.

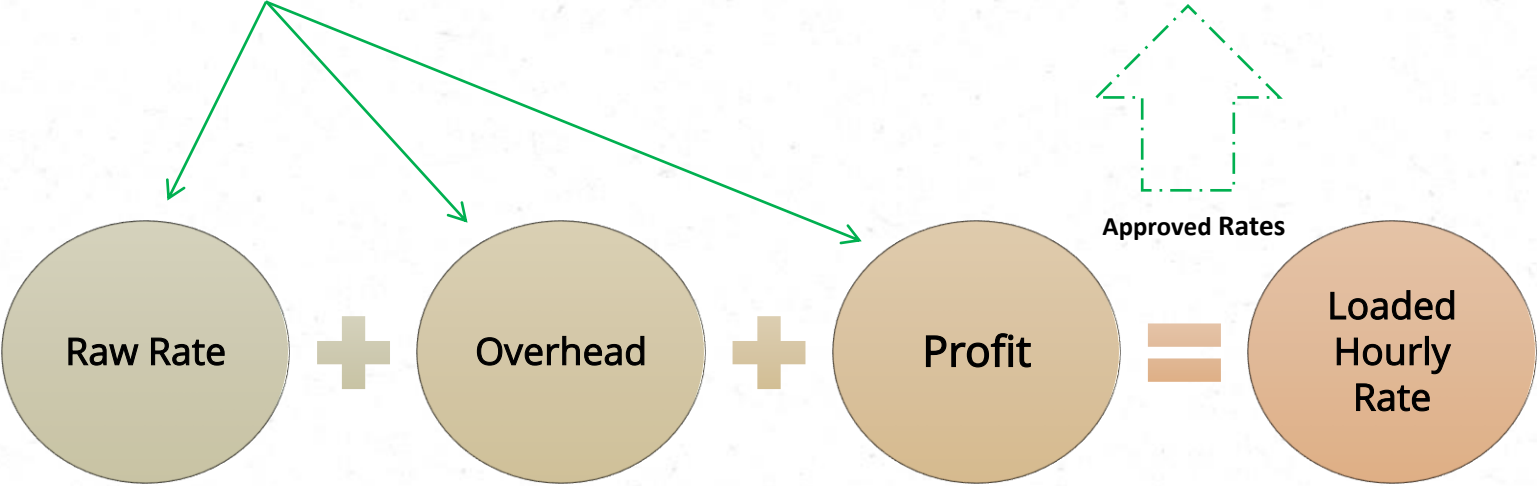
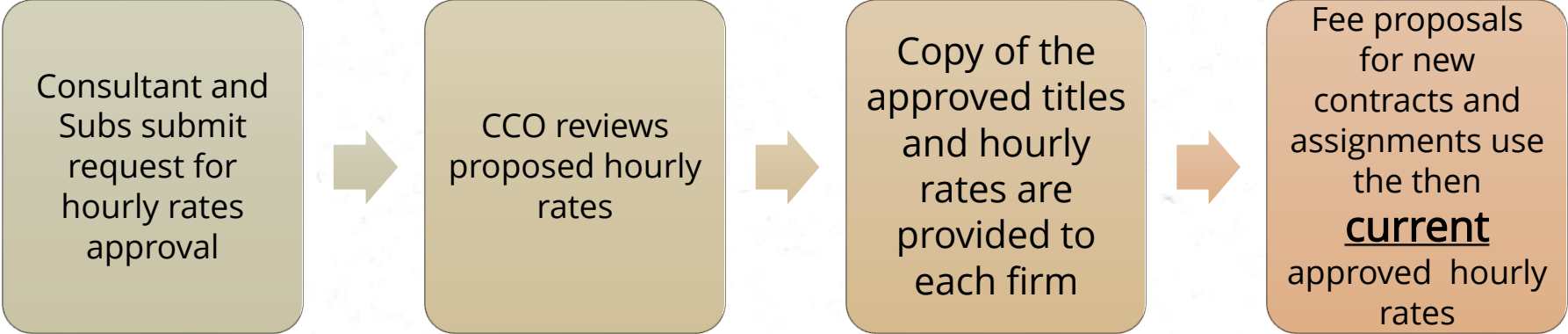
- Firms with company names starting with letters A thru I will be included in the two-year expiration starting January 2021.
- Firms with company names beginning with letters J thru Z will continue the one-year expiration until the year 2022, at which time the two-year expiration will be initiated.
- There will be an automatic annual percentage increase for the 2nd year of the two-year renewal process, which will be using a market index determined in October of each year.

Firms A thru I the automatic increase will start January 2022.

Firms J thru Z the automatic increase will start January 2023.



Rates Review Program Summary



Types of Rate Reviews

New Rates

- Prime firm notified during contract kick-off meeting, or
- Subconsultant added to compliance plan

Renewals

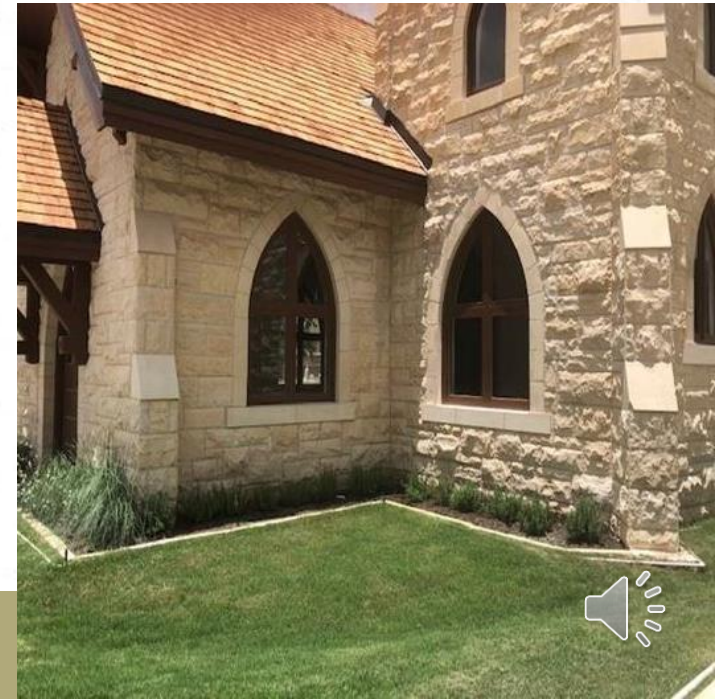
- Email notification sent out 60 days prior to the month of rate expiration

Additional Rates

- New Key Personnel added to contract; new positions added; etc.

Pre-2016 Contracts

- with contract specific rates included in the contract
- amendment upon request from consultant, traditionally only allowed once a year (refer to the contract's terms and conditions)



New Website Link to Forms

https://cityofaustin.formstack.com/forms/request_for_hourly_rate_approval_form

Device. Camera. Hover.



Consultant Rate Review Program Form



Standard Title and Key Personnel as well as an
Profit Rates using the City of Austin Standard

Please use the following links to submit the required information:

- [Rates Worksheet - Key Personnel](#) - For requesting loaded hourly rates for Key Personnel
- [Rates Worksheet - Standard Title](#) - For requesting loaded hourly rates for Standard Titles
- [Certificate of Overhead Rate](#) - To be signed by all consultants to certify Overhead Rate during annual rate review. *Required for ALL requests.

City of Austin Standard Titles

- [Administrative](#)
- [Architect](#)
- [Computer-Aided Drafting and Design](#)
- [Engineer](#)
- [Geographic Information System](#)
- [Scientist](#)
- [Surveyor](#)

To request additional titles, submit title and job description below. Combine multiple requests into one single file.

No File Chosen

Firm Name *

Email Address *

Consultant Representative *

CCO Procurement Specialist

Rates Forms



1 Key Personnel Request for Hourly Rate Review

- Named Person (resumes required) – Principal, President, Partner, Owner, Director, etc.
- Uniquely Qualified Individuals (i.e. Nationally recognized expert)

2 Standard Title Request for Title & Hourly Rate Review

- Standard titles from CCO website or title(s) used by firm if not listed (modified to our format)



3 Statement of Overhead Rate

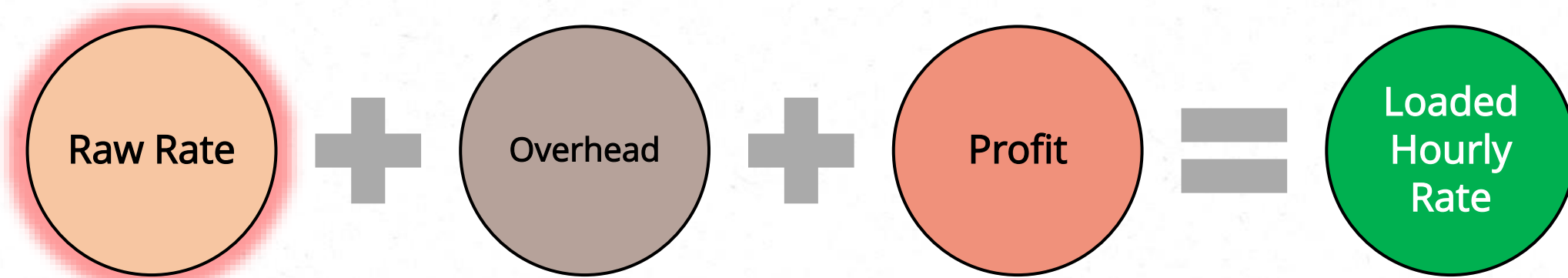
- Details the allowable/disallowable overhead expensed per FAR 31

4 Certificate of Overhead Rate

- Signed document to certify correct overhead percentage
- 3 options: FAR Audited/TXDOT Approved with Letter; Self-Certification; 120% default rate



Composition of Loaded Hourly Rate



Raw Rates for Key Personnel

“Key Personnel” are those individuals evaluated in the Statement of Qualifications (SOQ) and are named in each contract/assignment (i.e. Project Principal, Project Manager and /or Project Professional [Engineer or Architect]).

- The Subconsultant’s Principal are considered “Key Personnel” for the contract.
- When appropriate, uniquely qualified individuals are considered “Key Personnel”



Key Personnel Request for Hourly Rate Approval

City of Austin Capital Contracting Office KEY PERSONNEL REQUEST FOR HOURLY RATE APPROVAL FORM							
Name of Firm:		Date Submitted:					
Contact Person Name & Title:		Address:					
		Phone:					
		Email:					
Raw Rate determined by consultant:							
A; Overhead calculated [A x B = C]; Cat 1 Profit [(A+ C) x D = E]; Cat 2 Profit [(A+C) x F = G]; Cat 1 Loaded Hourly Rate [A +C + E = H] Cat 2 Loaded Hourly Rate [A +C + G = I]							
NOTE: The information consultant provides will be used to negotiate your loaded hourly rates. Once approved, the loaded hourly rates are included in respective contracts, proposals or assignments. The raw rates, overhead and profit are not included in the contract; however, they are subject to Public Information Requests. If we receive a request for your information, we will send the request to the Attorney General's Office for their determination. You would be notified if this happens and given an opportunity to send a letter stating why your information should be withheld. The City may request additional information, and audit documentation provided by the consultant, to verify titles, job descriptions, raw rates and overhead.							
*Password to fill out fields: consultant							
I certify that the above is true and correct:							
Signature: _____		Name of Certifying Official: _____					
Name of Key Personnel	Title (Uniquely-Qualified Individual Must Submit Resume)	Raw Rate	Overhead Rate	CAT 1 Profit	CAT 2 Profit	CAT 1 Loaded Hourly Rate	CAT 2 Loaded Hourly Rate
		(A)	(B) 120.00% (C)	(D) 7% (E)	(F) 12% (G)	(H)	(I)
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Raw Rates for Standard Titles



The City of Austin uses Standard Titles based on industry research and City data.

All Non-key Personnel are listed by Standard Title and are not individually named in the contract.

Consultant/Subconsultants must propose a raw hourly rate for each Standard Title utilized by their firm.

- ✓ Staff must meet the minimum qualifications to bill at that title.
- ✓ Consultant can request new Standard Title if a specific title is not available.
- ✓ Consultant must provide justification to support newly requested titles used; including position description, position level (e.g. I, II, III, etc.), and years of experience (e.g. 4-8, 8-12, etc.)

Raw rate information is stored in an internal database for use by CCO Staff.

- A copy of the current Loaded Hourly Rate Sheet is included in each approved proposal.

Standard Titles can be found at:

https://cityofaustin.formstack.com/forms/request_for_hourly_rate_approval_form

Device. Camera. Hover.



Examples of CCO's Standard Titles

Professional Engineer – State of Texas Professional Engineer (P.E.) License required. Under general supervision and using moderate latitude for independent judgment, perform routine engineering work that includes: designing, planning, overseeing work in support of construction, maintenance, alteration of structures, facilities, processes, equipment, and systems.

• Professional Engineer I (4+)	P.E. License required. Graduation from an accredited four-year college or university with major course work in engineering, plus 4+ years of engineering work experience acquired either before or after licensing as a P.E.
• Professional Engineer II (8+)	P.E. License required. Graduation from an accredited four-year college or university with major course work in engineering, plus 8+ years of engineering work experience acquired either before or after licensing as a P.E.
• Professional Engineer III (10+)	P.E. License required. Graduation from an accredited four-year college or university with major course work in engineering, plus 10+ years of engineering work experience acquired either before or after licensing as a P.E.
• Professional Engineer IV (15+)	P.E. License required. Graduation from an accredited four-year college or university with major course work in engineering, plus 15+ years of engineering work experience acquired either before or after licensing as a P.E.
• Professional Engineer V (20+)	P.E. License required. Graduation from an accredited four-year college or university with major course work in engineering, plus 20+ years of engineering work experience acquired either before or after licensing as a P.E.



Request for Title and Hourly Rate Approval

(Non key personnel)

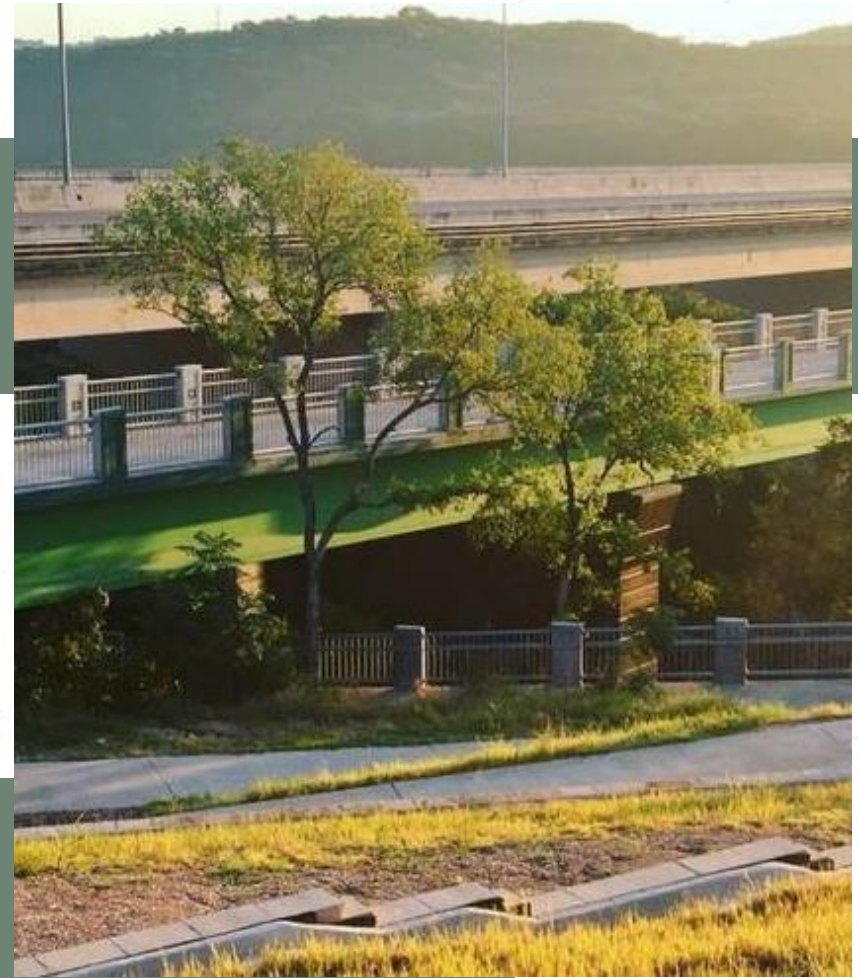
City of Austin Capital Contracting Office REQUEST FOR TITLE AND HOURLY RATE APPROVAL FORM							
Name of Firm:				Date Submitted:			
Contact Person Name & Title:				Address:			
				Phone:			
				Email:			
<p>Raw Rate determined by consultant: A; Overhead calculated $[A \times B = C]$; Cat 1 Profit $[(A+C) \times D = E]$; Cat 2 Profit $[(A+C) \times F = G]$; Cat 1 Loaded Hourly Rate $[A + C + E = H]$ Cat 2 Loaded Hourly Rate $[A + C + G = I]$</p> <p>NOTE: The information consultant provides will be used to negotiate your loaded hourly rates. Once approved, the loaded hourly rates are included in respective contracts, proposals or assignments. The raw rates, overhead and profit are not included in the contract; however, they are subject to Public Information Requests. If we receive a request for your information, we will send the request to the Attorney General's Office for their determination. You would be notified if this happens and given an opportunity to send a letter stating why your information should be withheld. The City may request additional information, and audit documentation provided by the consultant, to verify titles, job descriptions, raw rates and overhead.</p> <p>*Password to fill out fields: consultant</p> <p>I certify that the above is true and correct:</p> <p>Signature: _____ Name of Certifying Official: _____</p>							
Titles / Minimum Qualifications (Choose from City of Austin Standard Titles)	Discipline / Project Manager (Modifier to the Standard Title)	Raw Rate	Overhead Rate	CAT 1 Profit	CAT 2 Profit	CAT 1 Loaded Hourly Rate	CAT 2 Loaded Hourly Rate
		(A)	(B) 90.00% (C)	(D) 7% (E)	(F) 12% (G)	(H)	(I)
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Modifiers to Standard Titles

Modifiers are used to give consideration for:

- Disciplines in the industry
- Additional Responsibilities (such as a Project Manager)
- Certifications or related licensing
- Specializations (REVIT, Tunnelling, Etc.)
- Advanced Degrees



Market Research

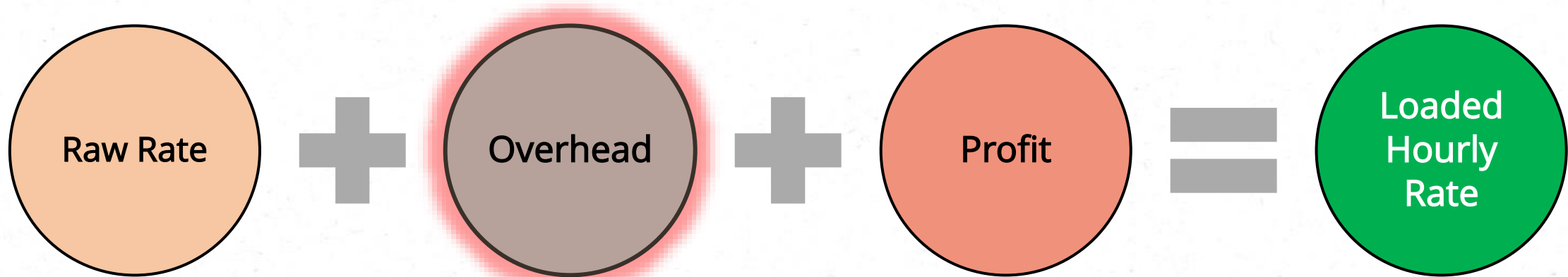
- American Council of Engineering Companies (ACEC)
- Glass Door
- Salary.com
- PayScale
- Indeed
- Bureau of Labor Statistics
- City of Austin HR Website



market
research



Composition of Loaded Hourly Rate



Overhead Rate

CCO Requires Documentation to Support the Consultant's Overhead. There are several ways that the Consultant can satisfy this requirement:

- An audited overhead in compliance with Federal Acquisition Regulations (FAR) Part 31 - Contract Cost Principles and Procedures within the prior year; or
- A Texas Department of Transportation (TX DOT) approved Schedule of Indirect Costs within the prior year; or
- Self-Certification based on the financial records of the company and in accordance with FAR cost principles; or
- The consultant agrees to an overhead rate of 120% and provides an explanation supporting their request.



Certificate of Overhead Rate Form

CITY OF AUSTIN - CAPITAL CONTRACTING OFFICE CERTIFICATE OF OVERHEAD RATE

Consultant (Legal Name of Company): _____

Date of Overhead Determination
(Within Previous Fiscal Year): _____

Overhead Rate (Shown as Percentage): _____

This is to certify that (check only one box below):

- 1) Consultant has an audited overhead in compliance with Federal Acquisition Regulations (FAR) Part 31 - Contract Cost Principles and Procedures or Texas Department of Transportation (TXDOT) approved Schedule of Indirect Costs. Attached is supporting documentation.
- Or
- 2) Self-Certification - Consultant does not have a FAR audited overhead or TXDOT approved overhead rate and the Consultant has prepared and submitted with this form a Statement of Overhead Rate ([sample template](#)).

The Consultant expresses and certifies that:

- the Overhead Rate was developed from the financial records of the Company;
- to the best of my knowledge the expenses included in the Overhead Rate are allowable in accordance with the cost principles of FAR; and,
- the same expenses that have been treated as indirect costs have not been claimed as direct costs.

- Or
- 3) Consultant does not have a FAR audited overhead or TXDOT approved overhead rate and does not currently have the ability to self-certify; therefore, consultant agrees to an overhead rate of 120%. Consultant must attach to this form an explanation for not providing financial documentation supporting their overhead rate.

The information provided with this form is subject to the City's "Right to Audit" contract provision. The City may also report any breaches of professional codes of ethics to the appropriate licensing board related to any City contract.

Signature: _____

Name of Certifying
Official (Print): _____

Title: _____

Date Signed: _____

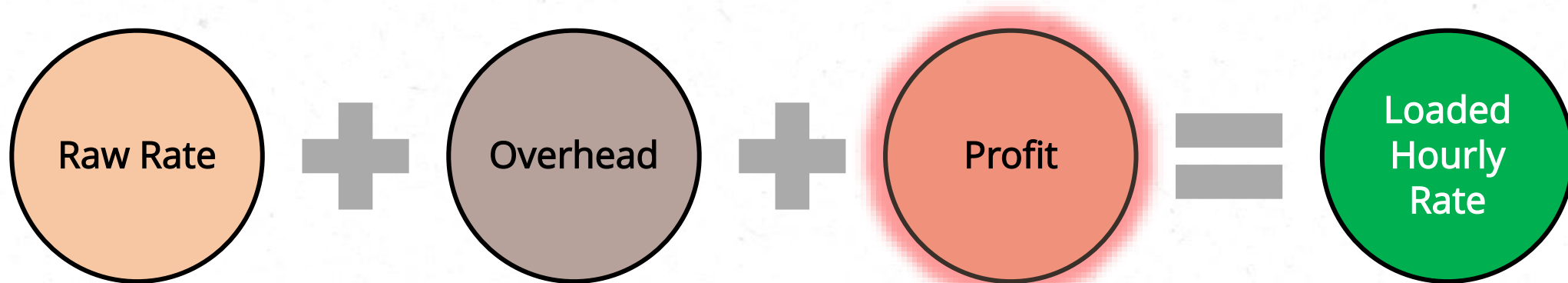


Common Overhead Unallowable Expenses

- Bad debts
- Collection costs
- Excess compensation and distribution of profits
- Personal use of company vehicles
- Patent costs
- Relocation costs
- Travel costs in excess of Federal Travel Regulation rates
- Goodwill
- Alcoholic beverages
- Contributions or donations
- Employee gifts and recreation
- Membership in social, dining, and country clubs
- Social activities
- Fines, penalties, and mischarging costs related to violation of laws
- Life insurance on key employees
- Costs to correct defects in materials and workmanship
- Interest expense
- Lobbying and political activity costs
- Organization/reorganization legal, accounting, incorporation fees, and labor
- Capital raising (equity or long-term debt) legal, accounting and lender fees



Composition of Loaded Hourly Rate



Composition of Profit

Profit is based on degree of cost responsibility.

Category 1:

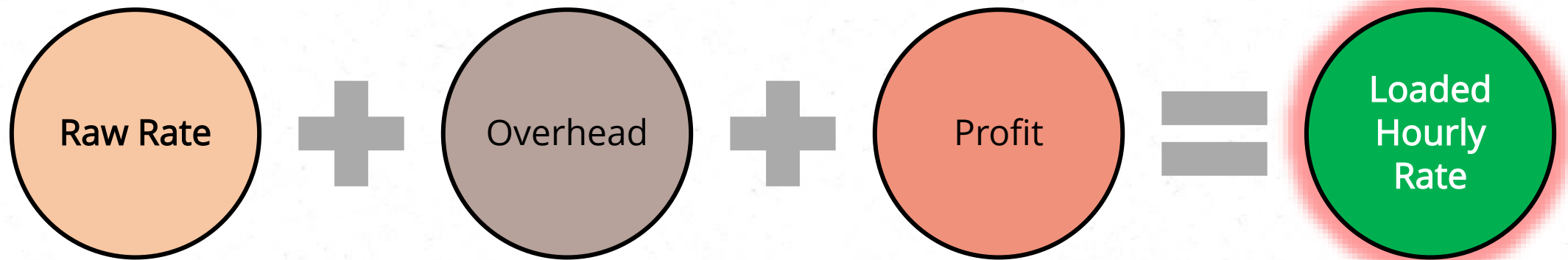
- Standard Hourly Rate fee proposal
- Lump Sum fee proposal for less than 2 years

Category 2:

- Lump Sum fee proposal for over 2 years in which the Consultant guarantees a ready-for-bid, 100% permitted set of a plans and specifications or specified deliverable
- Consultant demonstrates fiscal risk of the engagement and City confirms



Composition of Loaded Hourly Rate



Hourly Rate Review Program - Reminder



- Hourly rates are negotiated for each Consultant and Subconsultant to be used for every contract or proposal.
- CCO will send out notice to Consultants approximately 60 days prior to firm's hourly rate review expiration month.
- For contracts awarded after January 2016, each proposal uses the THEN current loaded hourly rates.
- Rates remain in effect through completion of proposal.
- Rates renewal are only required for Firms with current contracts.



Questions?



Join Us!

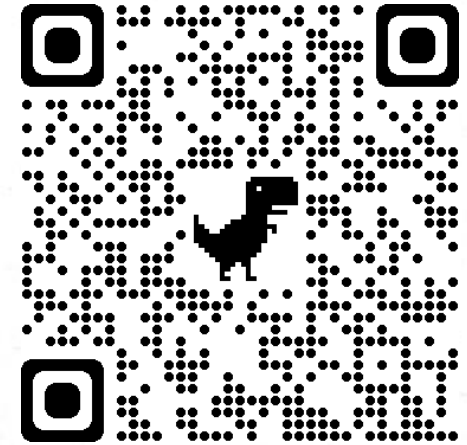
We have some exciting opportunities coming up!



CIP Partners Academy

Join us for our next CIP Partners Academy class on October 20, 2021 Where we'll be discussing the City's MBE/WBE Program and the Anti-Lobbying/No-Contact List.

Register at austintexas.gov/department/cip-partners-academy



Capital Conversations

Join us for our new program, Capital Conversations beginning October 27th. Capital Conversations is an opportunity for our vendor community to virtually stop by, ask general questions about doing business with the City, or talk with a guest host about a particular program/initiative at CCO.

Scan the QR code for more information or visit our website at austintexas.gov/cco.





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Location

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Contact

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E-mail : ccoevents@austintexas.gov

Thank You

