

Consultant Rate Review

Process Review and Proposed Changes

Background

- According to Texas Government Code 2254, a provider of professional services must be awarded 1) on the basis of demonstrated competence and qualifications to perform the services and 2) for a fair and reasonable price. In order to determine the fair and reasonable price of consultants on City of Austin professional services contracts the Capital Contracting Office developed a process that was implemented in January 2016.
- Consultants input at two events
 - Prior to implementation
 - 1 year after

Purpose

The purpose for reviewing the Consultants Rate Review Process now is to:

- Address feedback regarding the current process
- Consider input received from consultants that have gone through the process
- Implement improvements to obtain efficiencies for staff and consultants

Engagement Process and Feedback Received

- Survey to Consultant and Staff focused on:
 - What works, what does not work?
 - How can we simplify the process?
 - One- or two-year rate review
- Feedback received: 50 consultants and 9 staff responses

Rate Review

Process Improvements

Rate Review Program Information

- Modifiers
- Key Personnel
- Uniquely Qualified individuals
- Databases used in research
- What constitutes Category 2
- Overhead
- Firm rates are not compared with other firms
- Loaded Hourly Rate includes Individual raw rates, % of overhead and profit
- Consultant's may provide data to justify their rate

Produce an Information Video and Update FAQs

Improve Forms

- Create new forms that can be completed on-line
- Allow Consultant to “Submit” on-line directed to Professional Services email address
- Automatic response of receipt and timeframe of process
- Include explanations of Modifiers, Key Personnel, Uniquely Qualified Individuals, Category 2 and Overhead (Audit not required)

Process Changes

- 2-year renewals – to avoid workload impact every 2 years this could be staggered by alphabetical order
- Percent of annual increases dependent on market indices determined in October of each year
- Increase Overhead option to 120% from 90%
- Allow firms to change their anniversary date one time
- More training
- Change renewal notification to 60 days
- Use ACEC information on market rates
- If all parameters are met, allow PS to sign the approval letter

Questions/Comments

Next Steps

- **Finalize Changes considering Consultants' input by 10/2/2020**
- **System Updates – SOPs, Forms, Database, Website by 11/13/2020**
- **Train Staff by 11/20/2020**
- **Implementation effective 12/1/2020**
- **CIP Academy 12/16/2020**

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