



City of Austin

Financial Services Department Central Procurement

Your valuable
partner in
Capital Project
Delivery

CONSULTANT RATE REVIEW PROCESS

Texas state law requires the City negotiate a fair and reasonable price with the selected firm. [Ref. Government Code Chapter 2254]

Prior to City of Austin City Council award, Capital Procurement will request the following information from the Consultant and all Subconsultants needed to begin the hourly rate review process.

CITY OF AUSTIN STANDARD TITLES/MINIMUM QUALIFICATIONS:

The Consultant will select City of Austin provided Standard Titles for all staff that will potentially work on City contracts. In order to add new Standard Titles, the Consultant must make a formal request for additional titles providing the job descriptions and years of experience required for each title. The Consultant can add a discipline/modifier (such as Electrical, Computer, Mechanical, etc. or advanced education) to be considered in the evaluation of the raw rate for each title. Project Managers will be evaluated based on the Standard Title, with consideration for additional responsibilities in the project manager role.

KEY PERSONNEL AND UNIQUELY-QUALIFIED INDIVIDUALS:

Those individuals named by the Consultant in the Statement of Qualifications (SOQ) will be named in each contract (i.e. Project Principal, Project Manager and /or Project Engineer). Those individuals uniquely-qualified (i.e. nationally recognized expert) for the project, will also be named in the contract as Key Personnel.

NOTE: Uniquely-qualified individuals must be approved by the City's Project Manager to work on a project (only that individual would be allowed to bill at that title and hourly rate). The subconsultant's Principal is considered a Key Personnel and will also be named in the contract.

RAW RATE:

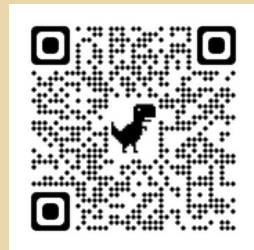
The Consultant will propose an hourly rate for each Key Personnel and/or Standard Title. Individual employees must meet the respective minimum qualifications to bill at that designated title rate.

OVERHEAD RATE:

Capital Procurement requires a signed Statement of Overhead Rate and documentation to support the Consultant's overhead. There are three ways the Consultant can meet this requirement: 1) Capital Procurement's preferred method is that the Consultant provide an audited overhead in compliance with Federal Acquisition Regulations (FAR) Part 31 - Contract Cost Principles and Procedures within the prior year, or the Consultant may provide a Texas Department of Transportation (TX DOT) approved Schedule of Indirect Costs letter within the prior year. If the Consultant does not meet Capital Procurement's preferred methods listed above, 2) the Consultant must provide a signed Statement of Overhead Rate and supporting documentation to justify their overhead or 3) agree to an overhead rate of 120% and provide an explanation for lack of financial documentation supporting their overhead rate.

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CCOProfessionalServices
@austintexas.gov

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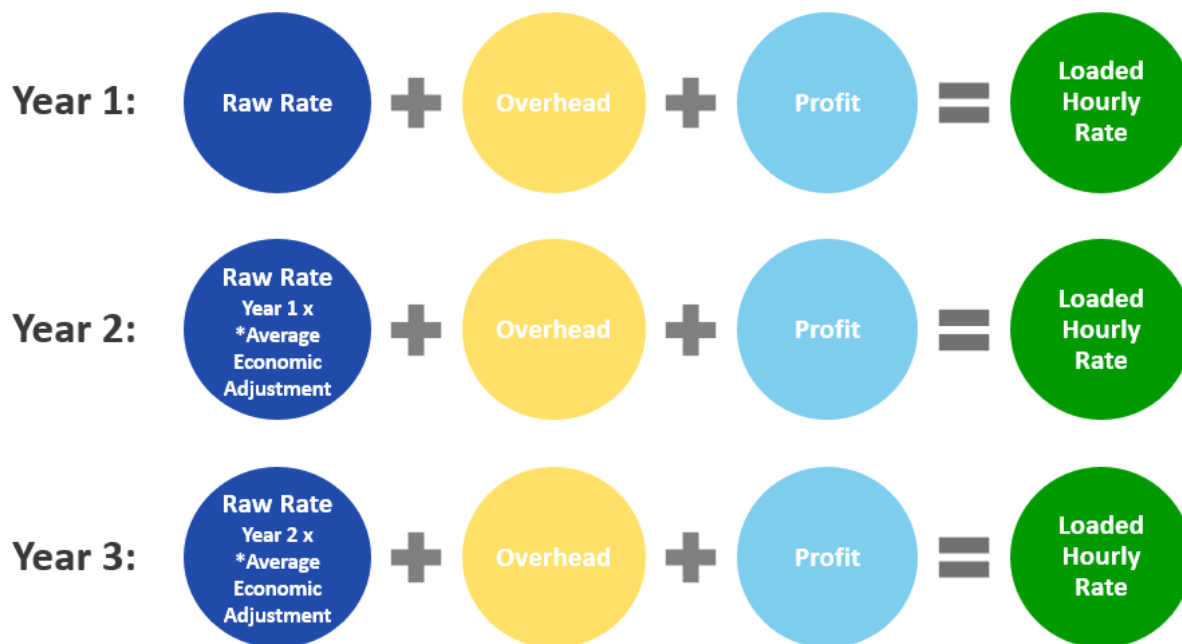
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PROFIT:

The Consultant will propose a profit rate based on the degree of cost responsibility.

ECONOMIC ADJUSTMENT:

The new rate/rate renewal process, uses the past three-year rolling average of the National Compensation Survey Index Rate to create the Economic Adjustment (EA). As indicated in the chart below, the year two rate is calculated by multiplying the year one rate by the three-year rolling average EA rate prior to adding overhead and profit to then determine the Loaded Hourly Rate. Subsequently, the three year rate is calculated by multiplying the year two rate by the three-year rolling average EA rate prior to adding overhead and profit to then determine the Loaded Hourly Rate.



***The Average Economic Adjustment is determined over a rolling 3-year period**

Questions? Email us:

CCOPProfessionalServices@austintexas.gov

Visit us at:

<https://www.austintexas.gov/department/professional-services-division>

