1. PROJECT INITIATION, PROCUREMENT, AND AUTHORIZATION
   1. Project Initiation

While section 2 provides information on the development of [Capital Funding R](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12140)equests (CFR), the intent of this section is to provide specific guidance on the steps necessary for a PM to prepare, review, and obtain approval of CFR and the process to incorporate the project into the 5-year Capital Investment Plan. This section also defines the process to initiate a new project from advertisement through award.

This section describes the procedures and resources available to the PM for project initiation and authorization. Project Managers need to be aware that consultants and contractors are authorized to perform work only through specific delegation of authorization levels stated in this section.

* + 1. **Capital Funding Request (CFR)**

When a Sponsor Department identifies a need for a capital project, a representative of the Sponsor Department will prepare a[CFR](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12140), (Note: Some CFRs will result from budgetary needs of existing projects. These will be determined during the updating process of the Budgets. Based on the criteria described below, the CFR is submitted to the Assistant General Manager (AGM) for Design and Construction and a Project Manager (PM) is assigned. For capital project development, long range projects and feasibility studies, the Director of Planning assigns the Project Manager. Please see Contract Administration SOP PS Sample 053 for sample assignment memo. Upon assignment, the Project Manager completes the Project CFR, including a Conceptual Budget and Schedule. The AGM for Design and Construction submits CFRs, ranked by priority, to the Budget Director on an annual basis or as directed by the Budget Department. The Budget Director in conjunction with the appropriate senior managers determines which proposed Projects will be incorporated into the five-yearCapital Investment Plan (CIP).When the project comes off the CIP and into development a Project Initiation Reportwill be prepared by the sponsoring Department.

Non-capital funded projects that affect MBTA property or resources and require participation of Design & Construction need to be reviewed by the appropriate Department(s) to assure that MBTA requirements and/or funding sources are addressed and MBTA requirements get included in the Requests for Proposal or project scoping document. These projects may develop from sources other than Planning, Design & Construction, and Operations, such as Real Estate Development, Cities and Towns or Operations Support, Transit Oriented Developments (TOD), etc. When the document requesting participation by the Design & Construction or Operations Department is received from these other sources a Project Initiation Report shall be prepared. The appropriate senior manager shall assign a Project Manager and add the MBTA requirements to the report, including budget and funding considerations.

* + 1. **Definitions** - Senior Managers: For the purposes of this manual the term shall mean the most senior manager of the Department, such as the AGM for Design & Construction.
    2. **Long Range Projects/Planning**

Long range projects include:

* the conceptual phases of system expansion enhancement projects that advance the State Implementation Plan (SIP);
* are contained or proposed for inclusion in the program for mass transportation;
* meet the requirements of the Americans with Disabilities Act and
* reflect the priorities of elected officials.

In general, they are sponsored by the Planning Department and require longer term planning, infrastructure reinvestment or other operational improvements.

* + 1. **Infrastructure Reinvestment Projects/Construction**

Infrastructure Reinvestment projects for which Design and Construction takes the lead role include signal system repair, station rehabilitation, railroad tie replacement, etc. The construction of system expansions and enhancements are also managed by Design and Construction.

* + 1. **Responsibilities**

**Senior Managers of Sponsor Departments are Responsible for:**

* Completing a CFR, whether or not the project will be managed by the sponsoring department. It is essential that a clear concise scope of the project is developed to enable senior management to accurately assess the project’s importance.
* Approving the CFR. Within each Department the CFR shall be approved by the appropriate senior manager. For projects that will be managed by the Design & Construction Department, the CFR must also be approved by the AGM for Design & Construction. The AGM for Design & Construction shall also make a determination on whether or not to use a Construction Manager on the project. Costs associated with the use of a Construction Manager shall be included in the Conceptual Budget.
* Assigning a Project Manager to each proposed project that will be managed by their organizations.
* Submitting CFRs to the Budget Director on an annual basis.
* Participating in the prioritization process for CFRs.
* Issuing a project initiation report, for all projects. This report is necessary to enable the D&C Department to adequately assess the level of participation required by their Department, assign the necessary resources to the project and to identify funding sources.
* Identifying the members of the Project Development Group.

**Budget Director is Responsible for:**

* + - * Reviewing all CFRs for projects proposed for inclusion into the 5-Year Capital Investment Plan.
      * Participating in the prioritizing of CFRs along with appropriate senior managers.
      * Inputting projects into the Capital Management System (CMS) when funding is available.
      * Assisting in the determination of funding sources for non-capital funded projects.

**Director of Administration & Finance is Responsible for:**

* Compiling CFRs for Design & Construction and processing to the Budget Director.
  1. **Capital Funding Procedure**
     1. **Capital Funded Projects – Sponsor Departments**

Upon determination that a new project is required, the Sponsor Department will prepare a CFR identifying the problem/need and the proposed scope of work. The CFR requires approval by the appropriate senior manager (AGM for Design and Construction). Note: If a construction contract is likely to be advertised in the next 18 months, then funding should be requested to advance this phase of the project.

* + 1. **Selection of Project Manager**

After determining that a project is necessary the appropriate senior manager shall assign a Project Manager to complete the CFR including the Conceptual Budget and Schedule. Please see Contract Administration SOP PS Sample 053 for sample assignment memo.

* + 1. **Project Manager - Completing the CFR – New**

The Project Manager shall complete the CFR which includes the Conceptual Budget and Schedule and Projections by Fiscal Year. The Conceptual Budget shall be prepared and the information included in the CFR. Provide any required back-up information. The Project Manager should work with the Sponsor Department as necessary to complete the CFR.

Once the conceptual budget and schedule has been prepared the Project Manager shall update the CFR forward it to the senior manager of the Department for approval and prioritizing.

* + 1. **Project Manager - Completing the CFR – Existing Projects**

During the execution of projects it may be necessary to request increases in the budget due to unforeseen events. The first step in determining whether a new CFR is needed is for the PM to review all CMG reports currently prepared for ongoing projects.  The PM shall review the CMG reports with the Budget Analyst to assure there is no other way to fund the required change. If there is no other way to fund the change the PM shall prepare a new CFR.

* + 1. **Prioritizing CFRs within the Sponsor Departments**

The senior manager of the Department shall prioritize all CFRs based on the needs of their Departments. CFRs shall have one of the following priorities: High, Medium or Low. Approved CFRs shall be forwarded to the Budget Director on an annual basis. All funding requests shall be sent to the Director of Administration and Finance for processing.

* + 1. **The Director of Administration and Finance shall compile the CFRs and forward them to the Budget Director.**
  1. **Prioritizing CFR for Inclusion in the 5-Year Capital Investment Plan.**

The Capital Budget Director shall review all CFRs and prioritize the requests based on the following (5) factors:

* Health & the Environment
* State of Good Repair
* Cost/Benefit
* Operational Impact
* Legal Commitments as detailed in Section 2.
  1. **Project Initiation – Capital Funded Projects**

Project initiation begins when the funding is available to the sponsor departments. Once CFRs have been included within the 5-Year Capital Investment Plan and funding has been secured, the Budget Director shall input the project into the CMS system and notify the appropriate senior manager.

The appropriate senior manager will complete aProject Initiation Report and notify the Project Manager to begin project management activities. This action will signify the “Notice to Proceed” (NTP) and allow the Project Manager to develop the Request for Proposal (RFP). The budget and schedule identified by the Capital Budget Director will become the “Authorized Budget” and “Authorized Schedule” for the Project.

* 1. **Project Initiation – Non-Capital Funded Projects**

Project Initiation begins when the Capital Budget Director has identified the funding source for the project and the senior manager of the department has issued aproject initiation report. If no funding is required for the project the senior manager of the department will determine when project management activities will commence.

* 1. Changes in Scope or Budget

The Project Manager is responsible to assure that any changes in scope of the project or changes to the budget are documented (See Project Controls Manual and Change Management Guidelines)

* 1. **Project Funding Sources**

Typically, MBTA D&C funding comes from bonds, state grants, or federal grants.

* 1. **Document Management**

Once a project is funded and assigned to a PM, the PM works with the MBTA Budget Department and Budget Analyst to assign a work order. Upon assignment of a work order Contract Administration assigns a project number and sets up a project file in the Capital Management System (CMS). Originals of all project-related documents should be routed to the appropriate project file with copies to the other project staff as required. Care should be taken to ensure that the central project file maintained by the Project Manager contains complete documentation.

* + 1. [**Filing System**](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12180)

The filing systems should be modeled after the guidance in the [Project Controls Policy Manual](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12600).

* + 1. **Project Data Collection**

During project initiation, typical MBTA D&C project budgets and schedules can be effectively developed utilizing standard assumptions based on past experience. If the project is complex or unusual in scope, the PM may be compelled to collect other available existing information about a proposed project during the initiation phase so that potential variables which could impact budget and schedule are identified early on.

* 1. **Project Database/Website**

A project database has been developed by MassDOT and the MBTA IT Department for each project. This IT database for each project is controlled by Contract Administration. PMs are expected to keep the project database updated on an as needed, or at least on a monthly basis. The project schedule and budget, respectively, are essential tools to be used by the PM in keeping the project database current. All changes/updates should be forwarded to Contract Administration for updates for each project on the database. The project database also makes up a real time project information website, which is used by executive management, the public, and other agencies having an interest in the project to obtain project status information. It is of critical importance that the information contained in the project database be kept as current and accurate as is reasonably possible.

* 1. **Reference Documents**

Other documents available to all PMs for FTA guidance include the following:

**FTA website** - The FTA website contains procurement news and links to important FTA documents, such as Circulars, Dear Colleague Letters, Best Practices Procurement Manual, etc. <http://fta.dot.gov/about_FTA.html>

**Best Practices Procurement Manual (BPPM)** *-* This Manual provides recipients of Federal Transit Administration (FTA) funds suggestions on conducting third party procurements to assist them in meeting the standards of FTA Circular 4220.1F. The Manual consists of required and suggested procedures, methods, and examples. [***http://fta.dot.gov/funding/thirdpartyprocurement/grants\_financing\_6037.html***](http://fta.dot.gov/funding/thirdpartyprocurement/grants_financing_6037.html)

**FTA Circular 4220.1F *–* Third Party Contracting** *-* This Circular set forth the requirements the Authority must adhere to in the solicitation, award and administration of its federally funded third party contracts. The Annotated Circular is available online at: <http://fta.dot.gov/laws/leg_reg_circulars_guidance.html>

**Federal Acquisition Regulations -** The Federal Acquisition Regulation is available at the following internet address: [FAR Part 31 Cost Principles](https://www.acquisition.gov/far/html/FARTOCP31.html).

[**FTA On-line Help Line (FAQs)**](http://fta.dot.gov/grants/14032.html) **-** FTA maintains a Third Party Procurement HelpLine to provide a means for FTA customers to get answers to their procurement questions. The goal is to answer questions within 48 hours of receiving them. The web site also contains a topical index to Frequently Asked Questions and helpful links to important FTA documents, the FAR, the BPPM, etc.

**FTA Waivers and Approvals** *-* The Authority is required to process requests for waivers and approvals required by [FTA Circular 4220.1](http://www.fta.dot.gov/library/policy/C4220.1E.html)F through the regional FTA office. The Region 1 FTA office will instruct the Authority as to the required content and format of these requests. FTA Region 1 contact information is:

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* 1. **Contracting for Professional Services**

Professional services contracts are required when the MBTA does not have the in-house resources necessary to support project development. These services may range from simple one-person to one-service contracts to multi-discipline complex design or design/build projects. When procuring services it becomes necessary to describe in as much detail as possible the exact nature of the services required. Please refer to the Contract Administration [Procurement Manual](http://intranet.mbta.com/departments/dandc/Default.aspx?__taxonomyid=394094&path=%255c%255cIntranet%255c%255cDesign%2band%2bConstruction%255c%255cManuals%5c%5cProcurement+Manual&__taxonomyshowall=1) for the details of the professional services procurement process, including the consultant selection process. Project Managers should contact the Contract Administration Department as soon as a procurement need is identified as the procurement process takes to 4 to 6 months from advertisement to selection.

Procurement of A/E services is a two-step qualifications based process: Statement of Qualification and Technical Proposal. The PM must coordinate all procurements through the Contract Administration Department.

* + 1. **Purpose and Scope**

The consultant selection process involves the following stages:

• Pre-Selection

• Selection

• Negotiation

• Award

The Project Manager will prepare the Authorization to Advertise Package, which includes the RFP, Independent Cost Estimate (ICE), DBE Concurrence Memo and others as detailed in the Procurement Manual. Contract Administration maintains a model RFP for use by the PM. The PM works with Contract Administration in developing the RFP. The PM also typically serves on the consultant Selection Committee. Contract Administration facilitates and oversees the selection process from advertisement through contract award. Contract Administration will publicly advertise the project, requesting Statements of Qualifications. The Selection Committee will review the qualifications and determine a shortlist of the most qualified teams who will be requested to submit technical proposals and participate in oral interviews. The committee ranks the teams and recommends the highest ranked team be recommended for award by the General Manager, Secretary or Board of Directors. If the PM and Contract Administration cannot successfully negotiate with the highest ranked firm, negotiations will begin with the second ranked firm. The process is detailed in the MBTA Procurement Manual. It is highly recommended that the PM meet with Contract Administration personnel when the need for consultant serves is first identified.

**Preparation of the Request for Proposal (RFP)**

Once the project has been initiated or as directed by senior management, the Project Manager shall proceed with the preparation of the Authorization to Advertise package and the Request for Proposal (RFP). The package is comprised of the documents listed in the MBTA Procurement Manual. As mentioned above, Contract Administration maintains a model RFP (Contract Administration SOP PS Sample 034) that contains standard language for use by the Project Manager. The PM should contact Contract Administration to obtain the most up-to-date standard language. Characteristics of well-written scopes of work are:

* Definite and clear
* Balanced between too narrow and too broad
* Defined obligation of the consultant
* Plain and precise language
* Established minimum needs
* States clear duration
* Establishes clear definition and schedule of deliverables

The RFP should provide background and an overview of services required and provides a general discussion of the project to give the proposers an understanding of how the project developed and the basic intent. Proposers must know the full scope of the project to submit accurate proposals and/or bids. A clear and concise RFP is the key document transmitting the needs of the MBTA to consultants and forms the basis for their proposals. Therefore, ambiguous language or phrases open to interpretation should be avoided to the greatest extent possible and a clear, concise scope of work prepared. The Scope of Work section of the RFP should include the tasks required to be performed by the consultant including “Deliverables” for each project milestone. Request for Proposals should be as consistent as possible in format and expanded depending upon increased scope. It shall include a description of major facilities or components of the project and the scope of services required to execute the project.

The scope of work provides the tasks the MBTA requires to be performed by the Consultant in executing the project. The Scope of Work expands on the Introduction section and provides the details of project requirements. Tasks should be specific and anticipated deliverables listed.

Consultants will be evaluated based on evaluation criteria stated in the RFP. Criteria typically include:

* Quality and Responsiveness of Proposal
* Management Approach
* Technical Approach
* General Capabilities
* General Evaluation
* Past experience with MBTA

For consistency in RFP presentation the information should be provided in the general order listed below:

* Introduction
* Scope of Work
* Phase I (0-15%)
* Phase II (15-30%)
* Phase III (30-60%)
* Phase IV (60-90% and 90-100%)
* Phase V – Construction Phase Services (CPS)
* Schedule
* Administrative Requirements
  + 1. **Review of RFP**

Once the tasks have been specified, the Project Manager shall process the RFP for review by the following parties as a minimum:

* D&C Director
* Contract Administration
* Environmental Compliance Director
* Others as Required

The PM shall resolve all comments with reviewers. Areas of conflict shall be resolved by the appropriate Director and the reviewer. The PM shall finalize the RFP by performing a review to assure all comments have been incorporated and the document is accurate and comprehensive.

* 1. **Contract Procurement and Award**

* + 1. **Initial Negotiations**

Once the preliminary selection has been made, and the selection is approved, the selected firm shall be notified and a schedule set for negotiations. To initiate negotiations, the PM and Contract Administration meet with the selected consultant to discuss administrative requirements, project scope and schedule. This discussion should provide the consultant with the necessary information to draft a narrative design scope, schedule and fee proposal. Because the scope will become an attachment to the Professional Services Contract, the scope should as precisely as possible describe the services to be provided for the project. In addition, a detailed scope will permit the PM to perform a thorough cost analysis and make necessary scope adjustments to keep the design contract within budget constraints.

* + 1. **Cost Analysis and Negotiation**

The Project Manager is responsible for leading the negotiations. The PM should review the independent cost estimate (ICE) that was prepared prior to advertisement and past project cost history to gain a sense of proportion on scope and fees. The PM must also consider that each project is unique and will have special requirements. The purpose of the negotiations is not to minimize the cost of the consultant’s services, but rather to define a complete scope of services to be provided at a fair and reasonable price.

MBTA D&C typically compensates consultants on a cost-plus-fixed-fee basis.

FTA requires MBTA to perform a cost analysis on every contract action. Cost elements contained in a cost analysis include:

* Direct Salary Cost
* Direct Salary Waiver, if applicable
* Overhead Cost (Field/Office Rates)
* Principal Costs
* Subconsultant Costs
* Other Direct Cost
* Fixed Fee

Strategies for cost analysis include but are not limited to:

* Comparison to Independent Cost Estimate (See Exhibit 3-3 for ICE template)
* Personnel classifications - Review of the level of effort and hours distributed among personnel classifications, such as PM, senior engineer, junior engineer, etc.
* Direct salary costs – The PM may consider the Department of Labor statistics, previous project experience, complexity of work in determining the reasonableness of direct salary rates.
* Fixed Fee - The PM should review the fixed fee in proportion to the complexity, location, and other factors of the project; PM should follow profit and overhead guidelines established by Contract Administration. See Exhibit 3-2 at the end of this section for fixed fee calculation table to be used in negotiation of all professional services actions.
* Contract Administration also maintains a pool of Independent Certified Public Accountant to perform cost analysis of consultant overhead rates, direct salary rates other direct costs and fixed fee

The MBTA also uses the American Society Civil Engineers (ASCE) manual as a guideline to negotiate A/E Contracts. The following steps are used by the PM, assisted by Contract Administration, to negotiate costs using the [Design Fee Summary and Construction Phase Services Analyses](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12290).

The Design Fee Summary and Construction Phase Analyses consider the consultant fees in comparison to the construction estimate. The classification of Basic and Special services are detailed in the ASCE Manual No. 45. Generally fees range within the following thresholds when compared to the construction estimate:

* 0% - 6% maximum for Basic Design Costs (up to 8% for smaller projects)
* 0% - 2% maximum for Special Design Costs
* 0% - 4% maximum for Basic and Special CPS Costs

It is extremely important that the PM document the events of the negotiation in a formal Record of Negotiation (Exhibit 3-4). Be sure to explain how issues were resolved. Remember that ***“if it isn’t documented, it didn’t happen!”***

* 1. **Contract Authorization**

The General Manager, Secretary or the Board of Directors are the only officials that can approve Consultant Contract Awards. For contract awards that are between $0 - $5,000,000.00, the General Manager is allowed to authorize. For contracts that exceed $5,000,000.00, the Secretary or Board of Directors is required to authorize.

* + 1. **MBTA Authorization Levels**

All contract awards are required to have a Staff Summary package prepared by the Project Manager with assistance from Superintendent of Administration and Finance. The Staff Summary Guidelines at the end of this section detail the process for authorizing contract actions. The MBTA authorization levels follow:

**Base Contracts/Change Orders/Amendments**

Board of Directors > $15,000,000

Secretary of Transportation >$5,000,000 - ≤$15,000,000

General Manager >$250,000 - ≤ $ 5,000,000

Assistant General Manager for D&C >$100,000 - ≤ $250,000

Chief Engineer of D&C >$25,000 - ≤$100,000

Director $0 - ≤ $25,000

Assistant General Manager Time Extension

* + 1. **Staff Summaries**

In the Design and Construction Department, staff summaries are used to transmit information, but most often to recommend a contract action, whether it is an award or change to the contract. A staff summary is the MBTA’s document used for submitting recommendations for important actions or approval by the General Manager, Secretary, or Board of Directors. The staff summary must be complete and be capable of standing alone. It should tell a story by presenting the necessary information for the General Manager, Secretary, or Board of Directors to make a sound judgment and decision.

Changes to professional services contracts are referred to as amendments. Changes to construction contracts are referred to as change orders. Change orders are discussed in detail in later sections of this manual, but for purposes of authorization levels and staff summary processing, change order and amendment authorization are discussed in this section. Formal staff summaries are **not** required for change orders or amendments with a value less than or equal to $250,000.

**Staff Summary Preparation**

Staff Summaries are prepared by the Project Manager with assistance from the Superintendent of Administration and Finance. Staff summaries must be submitted timely enough (at least two weeks in advance of actual need dates) to allow for Director and AGM reviews.

**Format and Presentation**

The staff summary should be prepared on Form No. GMR-16 and should not normally exceed three pages. Enclosures or attachments, including a Full Discussion, can be used for the presentation of additional detailed data which may be required for a better understanding of the subject.

The following outlines the standard sections required in a Staff Summary. Please refer to the end of this section for a sample.

**Purpose** – States clearly what is being requested (i.e. approval to …), and who will approve and execute the contract action, contract title, Contractor/Consultant, not to exceed amount and contract time extension if applicable.

**Total Project Budget** – States dollar values for: Design, Construction, Real Estate, Force Account, and Project Administration/Inspection.

**Discussion** – Tells a story and contract history, summarizes the scope of the contract action (change order or amendment), list of Selection Committee members (i.e., Margaret Hinkle – MBTA Contract Administration), Selection Committee Statement of Qualification – Score Tabulation of the three top ranked companies, states DBE goal, participation to date in % and $ and lists the DBE subconsultants/subcontractors.

**Sustainability** – Summarizes project green environmental initiatives. The PM should work with the Environmental Compliance Group if needed.

**Financial Impact** – States the funding source and grant number.

**Alternative** – States the alternative to approving the contract action. The alternative may involve legal commitments, accessibility issues, etc. It should be as specific as possible.

**Recommendations** – Summarizes the contract action scope, approver (i.e. General Manager), contract number, dollar value and completion date (if the action includes a time extension).

**Enclosures** - Specific attachments required for staff summaries are detailed in the following pages.

The Staff Summary should not include transmittals, buck slips or other unnecessary documentation. To be effective, a staff summary sheet should be clear, concise, complete and convincing. All staff summaries should be carefully proofread before being submitted. Effective 5/22/2012, staff summaries needing the Board of Directors approval no longer require signature lines.

* + 1. **Change Order and Amendment Authorization Procedures**

The Superintendent of Administration and Finance shall assist the Project Manager with the preparation of the Staff Summary. The process and contents of Staff Summaries vary depending on whether it is to be approved by the General Manager, Secretary, or Board of Directors. Please see Section 3.17 guidance on required documentation and specific authorization levels.

* 1. **Post Authorization**
     1. **Notice to Proceed**

Upon receipt of the fully executed Staff Summary (and Board Vote, if required), Contract Administration will prepare and process a NTP for signature by the General Manager. Once counter signed by the consultant, the original will be scanned, saved and distributed. The consultant is now authorized to proceed with the scope of work. The consultant may not be paid until the financial audit is complete.

* + 1. **Financial Audits**

Once the Consultant contract has been approved by the General Manager, Secretary, or Board of Directors, Contract Administration will initiate a Pre-Audit Evaluation for the costs associated with the contract. Contract Administration will assign an independent Certified Public Accountant (CPA) from the Contract Administration Audit Pool to perform a review of all charges (i.e. Direct Labor, Overhead, Principal, Other Direct Costs, Travel, Subconsultant and Fixed Fee charges) according to the Federal Acquisition Regulation (FAR) Part 31. The CPA will prepare a final audit report. If adjustments are made, the PM will receive revised cost documentation from the consultant. Once the audit is complete, insurance certifications are received in Contract Administration and the consultant submitted the countersigned NTP, Contract Administration will prepare the formal contract document.

* + 1. **Contract Document**

Contract Administration will prepare a formal contract document for the PM’s review and approval. Contract Administration also distributes three originals for signature and execution by the MBTA General Counsel, AGM/GM, and the Consultant. One fully executed, Contract Administration will distribute a copy to the PM. Three originals will be distributed to the MBTA Treasurer, Contract Administration file, and the consultant.

* 1. Authorization - Documentation and Process Overview

**Base Contracts** - Base Contract Awards may be approved by the Assistant General Manager, General Manager, Secretary, or the Board of Directors. Awards greater than $15 million require Board of Director approval. See Table 1 through 5 at the end of this section for authorization levels and required documentation. Word versions of professional services internal documentation is contained at the end of this section. The templates for CN independent cost estimates are contained in the Change Order Guidelines. The template for professional services independent cost estimate is contained in the Procurement Manual Chapter 2, Exhibit 2.1.6.

**Change Orders and Amendments** - Change orders and amendments with a value less than $250,000 require **no** Staff Summary.

**Budget** - It is extremely important to involve the A&F Budget Analyst **ASAP** as funding is not always readily available. Any delay in funding will delay the award.

**Status** - The PM is responsible for tracking the status of the staff summary and following up with Contract Administration in the event changes are required. PM should utilize the CMS provided tracking tool, which is located under the CMS tab “CO > CO/SA Staff Summary Routing Dates”.

**Staff Summary Review Meeting** - Prior to final authorization, the AGM will hold a staff summary review meeting with the PM, A&F, and Contract Administration. Edits to the staff summary may result from this review meeting.

* + 1. **Professional Services - Base Contract Award**

1. AGM approves Recommended Selection resulting from procurement process.
2. Project Manager (PM) requests a proposal from the Consultant, which includes:

* Signed Cover Letter
* Scope of Work with deliverables and duration
* Level of Effort (Hour Matrices)
* Cost Proposal (Exhibit A and backup for Prime and all subconsultants)

1. PM receives a proposal from the Consultant. When the PM and Consultant have agreed on overall scope, the PM sends copy of proposal to Contract Administration (CA) for review.
2. Contract Administration reviews proposal. Makes recommendations to PM for his/her use during negotiations with Consultant.
3. PM negotiations with Consultant using the ICE, CA comment memo and other resources. The proposal may require revision based on CA comments memo.
4. Consultant submits revised proposal

* Cover Letter
* Scope of Work with deliverables and duration
* Level of Effort (Hour Matrices)
* Cost Proposal (Exhibit A and backup for Prime and all subconsultants)

1. PM writes a Full Discussion and Technical Evaluation
2. PM writes Record of Negotiation (RON) recording events and issues that took place and were discussed during negotiations.
3. PM works with the Budget Analyst to secure funding and assign the funding source.
4. PM signs the RON and Technical Evaluation confirming the scope of work, and that the cost of the work is fully supported and fair and reasonable.
5. PM presents the final Amendment package to his/her Director for review and signature.
6. A&F sends one (1) original and two (2) copies of the completed award package to Contract Administration Staff Summary Coordinator. The staff summary for PS Award contains the documentation contained in the following Table 1.
7. Once approved the Staff Summary Coordinator copies the signed signature page, then distributes the approved staff summary as follows:

* Original and 1 copy – Superintendent of A&F
* PDF – Project Manager
* PDF – Director of Contract Administration
* Copy – Director of Contract Administration

* + 1. **Professional Services – Amendment**

The authorization process for contract amendments is the same as for contract awards. The only difference is the authorization levels and the documentation submitted. Please see below for internal documentation required for PS Amendment Staff Summaries. Table 2 below lists the staff summary documentation.

*Note: Amendments with a value of less than $250,000 are for AGM approval and require* ***NO STAFF SUMMARY.***

* + 1. **Construction – Base Contract Award**

1. After bid opening, Contract Administration (CA) evaluates all bids and confirms the identity of the low bidder.
2. Project Manager (PM) consults with Design Engineer to obtain a recommendation letter for the award to the low bidder and Root Cause Analysis of bid if the bid varies from the engineer’s estimate by >10%.
3. PM schedules a Pre-Award Meeting with contractor to discuss contractor capability, key personnel, scope of work and bid. PM prepares PM [Pre-award Meeting Minutes](http://intranet.mbta.com/WorkArea/DownloadAsset.aspx?id=12813) to be included in the Authorization Package.
4. PM writes a Full Discussion
5. A&F submits one (1) original and two (2) copies of the completed award package to CA Staff Summary Coordinator. The Award Package contains the documentation listed in Table 4.
6. Award Package is given to CA Staff Summary Coordinator for routing to:

* ODCR
* Operations
* Law Department
* Budget
* AGM/GM/Secretary/Board of Directors

1. Once approved the CA Staff Summary Coordinator copies the signature page, then distributes packages to:

* Original and 1 copy – Superintendent of A&F
* PDF – Project Manager
* PDF – Director of Contract Administration
* Copy – Construction Contract Coordinator
  + 1. **Construction – Change Order**

1. Change identified - by RE/PM/Consultant/Contractor
2. PM requests a proposal from the Contractor
3. PM determines if change has merit to warrant a change order
4. PM proceeds with development of an Independent Cost Estimate (ICE).
5. PM receives a proposal from the Contractor and sends copy of proposal to Contract Administration (CA) for review.
6. Contract Administration reviews proposal. Makes recommendations to PM/RE for his/her use during negotiations with Contractor.
7. RE/PM/CA develops a negotiation position using the ICE, CA proposal review and input from the Project.
8. RE/PM/CA negotiate change order with contractor
9. Contractor may submit revised proposal (unnecessary as long as the Record of Negotiations (RON) details how final price was determined). If revised proposal is submitted, the change order must also include a copy of the cover letter, recap sheet and labor and equipment breakdown from the original proposal as well as the complete final proposal.
10. RE/PM develop a well defined and detailed scope for the Form 3 (change order)
11. RE/PM writes an Explanation of Necessity (EON) (see Change Order Guidelines.)
12. RE/PM records events and issues that took place and were discussed during negotiations in a formal RON. (See Change Order Guidelines.)
13. RE/PM work with A&F to compile Change Order Package. The Budget Analyst confirms that funding is available and assigns the funding source.
14. PM reviews the final Change Order Package for accuracy and signs the RON, EON and Change Order confirming the scope of work, and that the cost of the work is fully supported and fair and reasonable.
15. PM presents the final Change Order package to the Director for review and signature.
16. PM presents the Change Order to the Contractor for review and signature.
17. A&F submits 1 original and 2 copies of the completed change order to Contract Administration Staff Summary Coordinator. The Change Order Package that comes from the Arborway contains (See CO/CQV Checklist) the following internal documentation and the documentation listed in Table 5.
18. C/A Change Order Analyst reviews package and prepares a comment memo. The memo either provides confirmation that the Change Order is ready to process or provides direction to the PM that additional information/documentation is required before processing can continue. This memo is:
19. emailed to the Project Manager
20. Filed in Contract Administration CO Memo Binder
21. Change Order package (per Change Order Checklist) is given to Staff Summary Coordinator for distribution to:

* ODCR
* Operations
* Law Department
* Budget
* AGM/GM/Board of Directors

1. When fully signed and approved, the Staff Summary Coordinator emails Change Order Coordinator requesting confirmation that the Change Order is “OK to pay”. Information is also available in on the MBTA T: Drive:

T:/Change Order/Contract Status

1. CA Staff Summary Coordinator copies the signed Form 3s (3 Originals), then distributes six (6) packages to:

* PDF - Payment Coordinator
* PDF – A&F
* PDF – Project Manager
* Original – Treasurer
* Original – Contractor
* Original – Contract Administration File
  + 1. **Extra Work Order (EWO) Requests**

1. When work is not critical to begin, the project office shall timely process a design amendment or change order in advance of any work being performed. That document – the design amendment or the change order – shall be the document that provides direction for the work to proceed.
2. When work must proceed pending execution of design amendment or change order, an EWOL shall be processed in accordance with the authorizations levels as stated in the PM Manual (Rev #4 to be issued soon), Design amendments in accordance with the Project Controls Manual, and Construction change orders in accordance with the most current version of the Change Order Guidelines. Rev.6, Part VI (A) is the most current version at this time. That EWOL shall be the document that provides direction for the work to proceed. After an EWOL is processed, it is incumbent on the PM to process a design amendment or change order within 30 days. If that cannot be made, the PM must advise the Director and Chief Engineer.
3. When work of a fast moving nature is identified (i.e. when work is in the middle of a weekend diversion or during non-revenue hours) and it must proceed immediately, verbal direction may be given by the PM. If given, it is incumbent on the PM to (a) notify the Director and the AGM immediately by phone or by email; (2) follow up as soon as possible with email documentation; (3) follow up within 24 to 48 hours with a EWOL.
4. Please note that it is understood that occasionally work is identified whereby the merit is questionable. An EWOL is not necessary unless merit is established. Once merit is established, EWOL guidelines apply.
5. Please note that it is understood that it is not always possible (especially in the case of a fast moving change) to obtain a consultant letter or contractor’s cost proposal. The Change Order Guidelines state these should be provided “if available”. An EWOL must, however, include documentation that the money is available within the budget.
6. All EWORs and Change Orders require an Independent Cost Estimate (ICE) including T&M. It is understood that, especially in the case of fast moving changes or in cases where the work scope is not clearly defined) that the cost estimate may be more general in nature. That is acceptable; what is important is the estimate has some basis. It is fine (and understood) if estimates are incorrect – as long as the logic behind them is reasonable.
7. FTA restricts the use of T&M change orders and not to exceed EWOs to cases where there is no other method of authorizing the work.  They also require that work authorized on a not to exceed basis be negotiated to a lump sum at the earliest possible date. Most of our EWOLs are issued on a not to exceed basis. There should be language in all EWOLs going forward that states that “it is our intent to negotiate a lump sum change order for this work within 30 days of the date of the EWOL.”

*Note: It’s extremely important to get the Project’s Budget Analyst involved ASAP as Funding is not always readily available and may require a Budget Revision processed through the Budget Office. Any delay in funding will delay the Change Order processing procedure.*

*Also, it is important to determine ASAP as to whether an Extra Work Order Letter (EWOL) is required. If yes, then the Fun*

*ding issue is even more imperative early on in the Change Order/Amendment process as Funding is required to process EWOLs. Please notify A&F to initiate the EWOL Packet for processing.*

Documentation Availability – Please refer



|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  | | | |  | | PS Sample 051 |
| **TABLE 1 PS BASE AWARD AUTHORIZATION DOCUMENT CHECKLIST** | | | | | | | |
|  |  |  | **DIRECTOR ≤$25,000** | **AGM ≤$250,000**  **Chief Engineer**  **≤$100,000** | **GM >$250,000 - ≤$5,000,000** | | | | **SECRETARY >$5,000,000 -  ≤$15,000,000** | | **BOD >$15,000,000** |
| 1 | **Staff Summary\*** | |  |  | X | | | | X | | X |
|  |  |  |  |  |  | | | |  | |  |
| 2 | **Board Vote** | |  |  |  | | | |  | | X |
|  |  |  |  |  |  | | | |  | |  |
| 3 | **Selection Committee Documentation (PM may request this documentation from CA)** | |  |  |  | | | |  | |  |
| a | Authorization to advertise | | X | X | X | | | | X | | X |
| b | Public Announcement/advertisement | | X | X | X | | | | X | | X |
| c | Short List memo | | X | X | X | | | | X | | X |
| d | Qualification Score Tabulation | | X | X | X | | | | X | | X |
| e | Selection Cover Memo | | X | X | X | | | | X | | X |
| f | Proposal Score Tabulation | | X | X | X | | | | X | | X |
| g | Letter to Selected Firm | | X | X | X | | | | X | | X |
| h | RFP | | X | X | X | | | | X | | X |
|  |  |  |  |  |  | | | |  | |  |
| 4 | **PS Consultant Information** | |  |  |  | | | |  | |  |
| a | Consultant Cover Letter | | X | X | X | | | | X | | X |
| b | Consultant Scope of Work | | X | X | X | | | | X | | X |
| c | Consultant Cost Proposal: | | X | X | X | | | | X | | X |
|  | i | Exhibit A Standard Consultant Contracts | X | X | X | | | | X | | X |
|  | ii | List of Direct Salary Rates (Name, Title, Rate) for GEC Contracts | X | X | X | | | | X | | X |
|  |  |  |  |  |  | | | |  | |  |
| 5 | **Additional Information** | |  |  |  | | | |  | |  |
| a | Approval Documentation Summary | | X | X | X | | | | X | | X |
| b | Full Discussion/Technical Evaluation | | X | X | X | | | |  | |  |
| c | Independent Cost Estimate (signed) | | X | X | X | | | | X | | X |
| d | Subconsultant List | | X | X | X | | | | X | | X |
| e | Fee Calculation Table | |  |  |  | | | |  | |  |
| f | EWOL, If applicable | | X | X | X | | | | X | | X |
|  |  |  |  |  |  | | | |  | |  |
| 6 | **Internal Documentation:** | |  |  |  | | | |  | |  |
| a | Routing Slip Green (DOC or AGM) or Pink Routing Slip (GM or SEC/BOD) | | X | X | X | | | | X | | X |
| b | Contract Direction form | | X | X | X | | | | X | | X |
| c | Contract Overview form | | X | X | X | | | | X | | X |
| d | CMS-PS-008 | | X | X | X | | | | X | | X |
| e | CMS-PS-009 | | X | X | X | | | | X | | X |
| f | Signed Record of Negotiation | | X | X | X | | | | X | | X |
|  |  |  |  |  |  | | | |  | |  |
|  | \*No signature line is required on BOD Staff Summaries | | | | |  |  | | |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TABLE 2 PS AMENDMENT** | | | | | | | | | |
|  |  | | |  | **DIRECTOR ≤$25,000** | **AGM ≤$250,000**  **Chief Engineer**  **≤$100,000** | **GM >$250,000 - ≤$5,000,000** | **SECRETARY >$5,000,000 -  ≤$15,000,000** | **BOD >$15,000,000** |
| 1 | **Staff Summary\*** | | | |  |  | X | X | X |
|  |  | |  | |  |  |  |  |  |
| 2A | **Board Vote** | | | |  |  |  |  | X |
|  |  | |  | |  |  |  |  |  |
| 2B | **CMS-PS-020\*\*** | | | | X | X | X | X | X |
|  |  | |  | |  |  |  |  |  |
| 3 | **Consultant Proposal** | | | |  |  |  |  |  |
| a | Consultant Cover Letter | | | | X | X | X | X | X |
| b | Scope of Work | | | | X | X | X | X | X |
| c | Cost Proposal: | | | | X | X | X | X | X |
|  | i | Exhibit A for Standard Consultant Contracts | | | X | X | X | X | X |
|  | ii | List of Direct Salary Rates (Name, Title, Rate) for GEC Contracts | | | X | X | X | X | X |
|  |  | |  | |  |  |  |  |  |
| 4 | **Additional Information** | | | |  |  |  |  |  |
| a | Approval Documentation Summary | | | | X | X | X | X | X |
| b | Full Discussion/Technical Evaluation | | | | X | X | X | X | X |
| c | Independent Cost Estimate | | | | X | X | X | X | X |
| d | Fee Calculation Table | | | | X | X | X | X | X |
| e | Subconsultant List | | | | X | X | X | X | X |
| f | EWOL, if applicable | | | | X | X | X | X | X |
|  |  | | |  |  |  |  |  |  |
| 5 | **Internal Documentation:** | | | |  |  |  |  |  |
| a | Routing Slip: Green (DOC or AGM) or Pink Routing Slip (GM or SEC/BOD) | | | | X | X | X | X | X |
| b | Contract Direction form | | | | X | X | X | X | X |
| c | Contract Overview form | | | | X | X | X | X | X |
| d | CMS-PS-008 | | | | X | X | X | X | X |
| e | CMS-PS-009 | | | | X | X | X | X | X |
| f | Signed Record of Negotiation | | | | X | X | X | X | X |
|  |  | | |  |  |  |  |  |  |
|  | \*No signature line is required on BOD Staff Summaries | | | | | | | | |
|  | \*\*If no Board Vote, CMS-PS-020 becomes Tab A | | | | | | | | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TABLE 3 PS TASK ORDER** | | | | | | |
|  |  | **DIRECTOR ≤$25,000** | **AGM ≤$250,000**  **Chief Engineer**  **≤$100,000** | **GM >$250,000 - ≤$5,000,000** | **SECRETARY >$5,000,000 -  ≤$15,000,000** | **BOD >$15,000,000** |
| 1 | **Staff Summary** |  |  |  |  |  |
|  |  |  |  |  |  |  |
| 2 | **Board Vote** |  |  |  |  |  |
|  |  |  |  |  |  |  |
| 3 | **Consultant Proposal** | X | X | X | X | X |
| a | Consultant Cover Letter | X | X | X | X | X |
| b | Scope of Work | X | X | X | X | X |
| c | Cost Proposal: Exhibit A for Prime & Subs | X | X | X | X | X |
|  |  |  |  |  |  |  |
| 4 | **Additional Information** |  |  |  |  |  |
| a | Approval Documentation Summary | X | X | X | X | X |
| b | Requisition No. for FMIS (Operations) |  |  |  |  |  |
| c | Full Discussion/Technical Evaluation | X | X | X | X | X |
| d | Independent Cost Estimate (ICE) | X | X | X | X | X |
| e | Fee Calculation Table | X | X | X | X | X |
| f | Subconsultant List | X | X | X | X | X |
| g | EWOL, if applicable | X | X | X | X | X |
|  |  |  |  |  |  |  |
| 5 | **Internal Documentation:** |  |  |  |  |  |
| a | Routing Slip: Green (DOC or AGM) or Pink Routing Slip (GM or SEC/BOD) | X | X | X | X | X |
| b | Contract Direction form | X | X | X | X | X |
| c | Contract Overview form | X | X | X | X | X |
| d | CMS-PS-008 (NA for FMIS Contracts) | X | X | X | X | X |
| e | CMS-PS-009 (NA for FMIS Contracts) | X | X | X | X | X |
| f | Signed Record of Negotiation | X | X | X | X | X |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TABLE 4 CN BASE AWARD AUTHORIZATION DOCUMENT CHECKLIST** | | | | | | | | | | | | | |
|  | |  | | **DIRECTOR ≤$25,000** | | **AGM ≤$250,000**  **Chief Engineer**  **≤$100,000** | | **GM >$250,000 - ≤$5,000,000** | | **SECRETARY >$5,000,000 -  ≤$15,000,000** | | **BOD >$15,000,000** | |
| 1 | **Staff Summary** | |  | |  | | X | | X | | X | |
|  |  | |  | |  | |  | |  | |  | |
| 2 | **Board Vote** | |  | |  | |  | |  | | X | |
|  |  | |  | |  | |  | |  | |  | |
| 3 | **Pre-Award Documentation (Request this info from CA)** | | | | | | | | | | | |
| a | Notice to Bidders (Public Solicitation) | | X | | X | | X | | X | | X | |
| b | Public Announcement/advertisement | | X | | X | | X | | X | | X | |
| c | Plan Holders List | | X | | X | | X | | X | | X | |
| d | Certified Tabulation of Bids | | X | | X | | X | | X | | X | |
| e | EPLS | | X | | X | | X | | X | | X | |
| f | Sole Source Justification, if applicable | | X | | X | | X | | X | | X | |
|  |  | |  | |  | |  | |  | |  | |
| 4 | **Bid Form** | | X | | X | | X | | X | | X | |
|  |  | |  | |  | |  | |  | |  | |
| 5 | **Recommendation Relative to Award** | |  | |  | |  | |  | |  | |
| a | Consultant Recommendation Letter (Root cause analysis required if bid varies more than 10% from estimate) | | X | | X | | X | | X | | X | |
| b | Pre-Award Meeting Minutes | | X | | X | | X | | X | | X | |
| c | DBE Concurrence Memo (from CA) | | X | | X | | X | | X | | X | |
|  |  | |  | |  | |  | |  | |  | |
| 6 | **Internal Documentation:** | |  | |  | |  | |  | |  | |
| a | Routing Slip Green (DOC or AGM) or Pink Routing Slip (GM or SEC/BOD) | | X | | X | | X | | X | | X | |
| b | Full Discussion | | X | | X | | X | | X | | X | |
| c | Contract Direction form | | X | | X | | X | | X | | X | |
| d | Contract Overview form | | X | | X | | X | | X | | X | |
| e | CMS-PS-008 NA in Awards | | X | | X | | X | | X | | X | |
| f | CMS-PS-009 NA in Awards | | X | | X | | X | | X | | X | |
| g | Signed Record of Negotiation | | X | | X | | X | | X | | X | |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **TABLE 5 CN CHANGE ORDER AWARD AUTHORIZATION DOCUMENT CHECKLIST** | | | | | | |
|  |  | **DIRECTOR ≤$25,000** | **AGM ≤$250,000**  **Chief Engineer**  **≤$100,000** | **GM >$250,000 - ≤$5,000,000** | **SECRETARY >$5,000,000 -  ≤$15,000,000** | **BOD >$15,000,000** |
|  |  |  |  |  |  |  |
| 1 | **Staff Summary** |  |  | X | X | X |
|  |  |  |  |  |  |  |
| 2 | **Board Vote** |  |  |  |  | X |
|  |  |  |  |  |  |  |
| 3 | **CMS-CN-012** | X | X | X | X | X |
|  |  |  |  |  |  |  |
| 4 | **Contractor Proposal for Prime & Subs** |  |  |  |  |  |
| a | Cover Letter | X | X | X | X | X |
| b | Recapitulation Sheet | X | X | X | X | X |
| c | Equipment/Labor/Materials Sheet | X | X | X | X | X |
| d | All Supporting Documentation as required by CO Guidelines | X | X | X | X | X |
| e | Sole Source Justification, if applicable | X | X | X | X | X |
| 5 | **Additional Information** |  |  |  |  |  |
| a | Signed Explanation of Necessity | X | X | X | X | X |
| b | Signed EWOL, if applicable | X | X | X | X | X |
| c | Signed Record of Negotiation (RON) | X | X | X | X | X |
| d | Signed RON Supporting Documentation, including ICE and internal review | X | X | X | X | X |
| e | Contractor signed Certificate of Current Cost & Pricing |  |  | X | X | X |
| 6 | **Internal Documentation:** |  |  |  |  |  |
| a | Routing Slip Green (DOC or AGM) or Pink Routing Slip (GM or SEC/BOD) | X | X | X | X | X |
| b | Full Discussion | X | X | X | X | X |
| c | Contract Direction form | X | X | X | X | X |
| d | Contract Overview form | X | X | X | X | X |
| e | CMS-CN-002 | X | X | X | X | X |
| f | CMS-CN-004 | X | X | X | X | X |
| g | CMS-CN-012 | X | X | X | X | X |