

STATE OF COLORADO

DEPARTMENT OF TRANSPORTATION

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TO: Delbreath Walker, Director of Staff Services *DMW*

FROM: Jeff Wassenaar, Contracts and Market Analysis Branch Manager

SUBJECT: **NPS Contract Usage Guidelines**
Policy Memo 24

It is usually preferable to use project specific contracts for consultant services. However, the use of Non-Project Specific (NPS) contracts is a valuable tool that provides the Regions with a great deal of flexibility in getting projects designed and built. To promote consistent use of NPS contracts statewide, these guidelines have been developed for when and how NPS contracts are to be used. These guidelines will allow CDOT to assure the State Controller that we are using NPS contracts in conformance with State Fiscal Rules, provide our employees with guidance on the use of NPS, and will help communicate our expectations on how the NPS contracts are used to the consulting community.

NPS task orders should generally be used for the following types of work:

Work that is unanticipated – this proves the Regions the flexibility to use NPS contracts to get work done quickly when a need arises during the project.

- Items of work in a contract for which the planned resources are no longer available.
- Emergency or unforeseen work up to \$350,000.00.
- Project workloads and the need for consultants should be planned with sufficient lead time to allow the appropriate contracting processes and to minimize unanticipated work.

Work that is small enough that it is not cost effective to advertise – this avoids trying up resources to go through the selection process for small amounts of work.

- For work in excess of \$350,000.00, a project specific contract is recommended. This is not a limit, but a point at which a project specific contract should be considered over a task order.
- Work using NPS that is over \$350,000.00 must be discussed with the RTD as part of the RTD approval of the task order.

Work that is time critical – this is similar to the unanticipated item.

- Workloads and the need for consultants should be planned with sufficient lead time to allow the appropriate contracting processes so that hiring a consultant does not become time critical.

Specialty work – work by a specialty contractor that is typically not of sufficient size to warrant a project specific contract (survey, utility location, etc.).

Construction services (materials testing, inspection, project management) – this work is typically small enough to warrant the use of NPS.

- For work in excess of \$350,000.00, a project specific contract should be considered over a NPS task order.
- Work using NPS that is over \$350,000.00 must be discussed with the RTD as part of the RTD approval of the task order.

NPS contracts are to be written for a term of three (3) years. During the first two (2) years task orders may be written. The third year is for completion of work already being done under a task order. No task orders can be written during the third year of the contract, and all work under the contract must be completed by the end of the third year.

The selection for NPS contracts for General Engineering and Construction Management will be combined for Regions 1, 2, 4, and 6, and on a Region basis for Regions 3 and 5. The General Engineering scope of work will include material testing and construction management as a backup in case the NPS contracts for those services are exhausted. NPS contracts for Survey, Materials Testing, and Traffic Services will be on a Region basis.

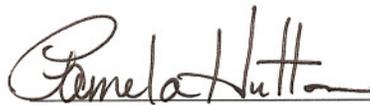
For multi-Region NPS contracts, the following procedures will be used:

- Eight firms will be selected to each of the disciplines, with the option to add two more within six months, if needed. If the option to add one or two more firms is exercised, the contract(s) will be assigned to the appropriate Staff Branch Manager.
- Two contracts will be assigned to each of the four Regions.
- The appropriate Staff Branch Manager will act as the project manager for selections.
- The Agreements unit and the project manager will work with the Business Programs Office to determine the DBE goal.
- The cost of advertising will be charged to the Agreements unit.
- The selection panel will develop and agree on the scope of work. If they are unable to agree, the RTDs will determine the scope of work.
- Consultants competing for the selection will need to be available to work in any location in the four Regions.
- The selection panel will be comprised of the project manager and representatives from each of the four Regions.
- After the selection has been made, the panel will assign two contracts to each Region. If they are unable to agree, the assignments will be made by the RTDs.
- If a Region uses up their NPS contracts for a discipline, or has a justifiable reason to use another Region's NPS contract, they should contact the other Regions, or the Staff Branch Manager, to make arrangements to share the contracts, with the goal of 75% utilization of all the NPS contracts. If a Region does not obtain at least 50% utilization, the Region will send, to the Agreements unit, justification for under-utilization.

The Agreements section will provide a quarterly report to the Chief Engineer on NPS usage. The report will list for each NPS contract:

- Type of service.
- The contract amount.
- The responsible Region.
- Dollar amount of task orders written against the contract in the quarter.
- Total amount of task orders written against the contract and corresponding percentage of contract.
- Task orders in excess of \$250,000.00.

I concur:


Pamela Hutton, PE
Chief Engineer

5-2-07
Date