



STATE OF CALIFORNIA  
Department of Transportation

STATEMENT OF QUALIFICATIONS SUBMITTAL INSTRUCTIONS  
AND  
GENERAL CONTRACT PROCESS INFORMATION

**On 7/13/11 these instructions were revised to clarify documentation of UDBE/DBE percentages. Refer to Section II. Participation Goals, A. Disadvantaged Business Enterprise Participation Goal, 2. Submission of DBE Information/UDBE Participation.**

Note: Address all questions concerning the Request for Qualifications (RFQ) in writing to the attention of the contract analyst named in the RFQ. Consultants contacting the District or Division directly seeking information about the RFQ may jeopardize the integrity of the selection process and risk possible disqualification.

I. REQUIREMENTS FOR STATEMENTS OF QUALIFICATIONS (SOQs)

A. SOQs must be in the following format:

1. SOQs to be bound on 11" side - binding style to be determined by submitter.
2. Paper size to be 8-1/2" x 11" (except the organizational chart).
3. Font size used for all documents (except the organizational chart) to be a minimum of 8 point.

B. SOQs are to be tabbed and labeled into six (6) sections and shall contain the following information:

Section 1 - TRANSMITTAL LETTERS/GOAL DOCUMENTATION

A. The prime consultant transmittal letter is limited to three (3) pages. Please list all subconsultants and provide the percentage (best estimate) of utilization for each firm. An individual authorized to obligate the firm or joint venture must sign the prime's transmittal letter. The signatures affixed to and dated on the prime and subconsultant transmittal letters shall constitute a certification under penalty of perjury under the laws of the State of California that the proposer has, unless exempted, complied with State nondiscrimination program requirements (see Americans with Disabilities Act under Section VII. MISCELLANEOUS).

B. Each subconsultant transmittal letter is limited to one (1) page. The subconsultant shall state its commitment to the prime consultant's firm, indicating the specific portion of the work to be performed by its firm. The person signing the transmittal letter must be authorized to obligate the subconsultant's firm.

- C. The prime consultant shall provide a contact name, mailing address, email address, phone and fax numbers to which correspondence can be sent.
- D. Provide the following information for any former State of California, Department of Transportation employee(s) listed on the organizational chart by the prime and/or subconsultants:
- the individual's full name
  - separation date from Caltrans and
  - functional responsibility while with Caltrans (within the last 24 months of employment)
- Further information concerning conflict of interest issues can be found in this document under Section VI. CONFLICT OF INTEREST CONCERNING CONSULTANT(S).
- E. The prime consultant's signature affixed on the transmittal letter certifies that neither the prime consultant nor its subconsultants will engage in Construction Inspection services for the same project for which the prime consultant and/or subconsultant has performed Project Development or Project Construction Support services. List any former and/or current projects that would be directly related to the construction inspection services requested.
- F. The prime's authorized representative signature on the transmittal letter certifies that the information contained in the SOQ is truthful, accurate, and complete at time of submittal.
- G. Provide the following goal documentation: (See RFQ Notice for participation goal requirements)
1. Disadvantaged Business Enterprise Goals
    - a. Disadvantaged Business Enterprise (DBE) certification letter(s) issued by the certifying entity.
    - b. DBE Participation Forms - will consist of one or both of the following pursuant to the instructions in section II, Participation Goals, subsection A.
      - (1) Disadvantaged Business Enterprise (DBE) Information/Underutilized DBE (UDBE) Participation, ADM 0227F
      - (2) Bidder/Proposer Underutilized Disadvantaged Business Enterprise (UDBE) Good Faith Efforts Documentation, ADM 0312F

OR

2. Disabled Veteran Business Enterprise Goals
  - a. Disabled Veteran Business Enterprise (DVBE) certification letter(s) issued by the certifying entity.
  - b. DVBE Participation Package - will consist of the following pursuant to the revised instructions in California Disabled Veteran Business Enterprise Requirements, STD 840:
    - (1) Option A – Commitment to DVBE Agreement Participation Requirement

Note: As of July 28, 2009, the Good Faith Effort (GFE) is no longer an option to meet the DVBE participation goal, pursuant to Assembly Bill 21 of the Fourth Extraordinary Session (AB4X 21).

Section 2. - GENERAL SERVICES ADMINISTRATION STANDARD FORM SF330 – to be completed in accordance with the instructions provided with the form and shall conform to the following:

PART ONE – CONTRACT-SPECIFIC QUALIFICATIONS – Sections D – H to be divided by colored sheets.

1. Section A – Contract Information
2. Section B – Architect-Engineer Point of Contact – Prime Information
3. Section C – Proposed Team – Complete for prime consultant and all key subconsultants. List prime team members first.
4. Section D - Organizational Chart: limited to one (1) page folded to 8-1/2" x 11", not to exceed 11" x 17".
5. Section E – Resumes of Proposed Key Personnel listed on organizational chart – List no more than five (5) projects per resume, not to exceed 2 pages.
6. Section F – Example Projects for Proposed Team's Qualifications for the contract: Limit your response to ten (10) projects, one (1) project per page.
7. Section G – Key Personnel Participation in Example Projects
8. Section H - Additional Information: Prime consultant is limited to four (4) pages and each subconsultant to two (2) pages. Subconsultants who have not previously worked with the prime may include additional project examples in this section; however, page limits still apply.

PART TWO – GENERAL QUALIFICATIONS – NOT REQUIRED.

INFORMATION FOR COMPLETING THE SF330 MAY BE DOWNLOADED FROM:  
<http://www.gsa.gov/portal/forms/download/21DBF5BF7E860FC185256E13005C6AA6>

#### Section 3 – TABLE OR GRAPH

The prime consultant must provide a table or graph (i.e. bar chart, pie chart) showing the percentage of staff availability of the team proposed to work on the contract.

#### Section 4 – COMMUNICATION PLAN

The prime consultant must show the accessibility of the team by providing a communication plan that outlines the chain of command including after hours and emergency situations that may arise during the term of the contract.

#### Section 5. - WORK FORCE ANALYSIS CHART

Each firm (prime and subconsultant) with 50 or more employees must provide a Work Force Analysis (example below) showing the total number and percentage of employees working in California.

Each firm (prime and subconsultant) with fewer than 50 employees must provide a statement indicating that your firm has fewer than 50 employees and is therefore exempt from the Work Force Analysis requirement.

DO NOT BREAK WORK FORCE ANALYSIS TABLE INTO TWO PARTS (KEEP ON ONE PAGE).

Work Force Analysis

	Caucasian		Black		Hispanic		Asian/ Pacific Islander		Native American/ Native Alaskan		Total Calif. Work Force	
	M	F	M	F	M	F	M	F	M	F	M	F
Executives/Managers												
Licensed Professional Engineers/Surveyors/ Architects												
Other Technical/ Professional												
Office/Clerical												
TOTAL												
PERCENT OF TOTAL												

Section 6. - Nondiscrimination Plan:

- A. Contracts solicited by the State will be awarded without discrimination. To comply with State and Federal nondiscrimination program requirements, Prime or subconsultant firms with fifty (50) or more employees shall provide a description of the firm's nondiscrimination program designed to eliminate discrimination based on race, color, religion, age, sex, sexual orientation, disability, or national origin.
- B. Each firm (prime or subconsultant) with fewer than 50 employees must provide a statement indicating that your firm has fewer than 50 employees and is therefore exempt from the Nondiscrimination Plan requirement.
- C. State nondiscrimination program requirements are found in Government Code Section 12990 and Title 2, California Code of Regulations, Division 4, Chapter 5, Sections 8103, 8104 and 8113 (unless exempted pursuant to Section 8115). For federally funded projects, nondiscrimination compliance requirements are found in Title VI of the Civil Rights Act of 1964, and the Code of Federal Regulations, 49 CFR Section 21.9.

## II. PARTICIPATION GOALS

In accordance with the RFQ Notice, the following will apply:

**03/19/09 Use this section A for ALL Federally funded Agreements.**

### A. DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION GOAL

#### 1. AUTHORITY AND RESPONSIBILITY

- a. It is the policy of the State of California, Department of Transportation (Caltrans) that Disadvantaged Business Enterprises (DBEs), as defined in Title 49, Code of Federal Regulations, Part 26 (49 CFR 26) entitled "PARTICIPATION BY DISADVANTAGED BUSINESS ENTERPRISES IN DEPARTMENT OF TRANSPORTATION FINANCIAL ASSISTANCE PROGRAMS", shall be encouraged to participate in the performance of Agreements financed in whole or in part with federal funds. The Consultant should ensure that DBE firms as defined in 49 CFR 26 have an opportunity to participate in performance of this solicitation and shall take all necessary and reasonable steps, as set forth in 49 CFR 26 for this assurance. The proposer shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of subcontracts.
- b. This solicitation is subject to 49 CFR 26. Proposers shall be fully informed of the requirements of the regulations and Caltrans' DBE Program developed pursuant to the regulations.
- c. Terms as used in this document:
  - 'Caltrans' means 'State of California, Department of Transportation'
  - 'Agreement' also means 'Contract'
  - Underutilized Disadvantaged Business Enterprise (UDBE) means a DBE firm as defined in 49 CFR 26 that is also one of the following groups: African American, Asian-Pacific American, Native American, or Woman. References to DBEs include UDBEs, but references to UDBEs do not include all DBEs.
- d. It is the proposer's responsibility to make work available to DBEs/UDBEs and select work parts or material needs consistent with available DBEs/UDBEs, to meet the contract goal for UDBE participation in this solicitation or to provide information to establish that, prior to SOQ submittal, the proposer made adequate good faith efforts (GFE) to meet the goal.
- e. To be eligible for award of the Agreement, the proposer shall demonstrate that the contract goal for UDBE participation will be met or that, prior to SOQ submittal, adequate GFE to meet the goal were made. Final determination of goal attainment or GFE by the proposer will be at Caltrans' discretion.
- f. Proposer is cautioned that even though its submittal indicates it will meet the stated UDBE goal, its submittal should also include its GFE documentation along with UDBE goal information to protect its eligibility for award of the Agreement in the event Caltrans, in its review, finds that the goal has not been met.

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**It is the proposer's responsibility to verify DBE and UDBE certifications.**

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## 2. SUBMISSION OF DBE INFORMATION/UDBE PARTICIPATION

The required UDBE goal information shall be submitted on the Disadvantaged Business Enterprise (DBE) Information/ Underutilized DBE (UDBE) Participation form, ADM 0227F, and as described herein. Use the Bidder/Proposer Underutilized Disadvantaged Business Enterprise (UDBE) Good Faith Efforts Documentation form, ADM 0312F, to document any good faith efforts (GFE). Both ADM 0227F and ADM 0312F are available at <http://caltrans-opac.ca.gov/aeinfo.htm>. Proposer is responsible for carefully reviewing and following all instructions for the ADM 0227F and/or ADM 0312F.

- UDBE GOAL INFORMATION: In page 1 of the ADM 0227F, proposer shall provide the required information and documentation as instructed in page 2 of the ADM 0227F. Proposer is responsible to ensure all information in the ADM 0227F is complete and accurate.
  - The percentage of UDBE goal commitment documented by the proposer in the ADM 0227F is the percentage that will be documented in the Agreement language.
  - The ADM 0227F will be attached and incorporated as part of the Agreement.
- a. GOOD FAITH EFFORTS: Using ADM 0312F, proposer shall provide sufficient documentation to demonstrate adequate GFEs were made as instructed in the ADM 0312F. Proposer is responsible for ensuring all information in the ADM 0312F is complete and accurate. For disqualification examples, refer to the Instructions to Bidder/Proposer in page 1 of the ADM 0312F.

## 3. DBE CERTIFICATION REQUIREMENTS

It is the proposer's responsibility to be fully informed regarding the requirements of 49 CFR 26 and Caltrans' DBE Program developed pursuant to the regulations. Particular attention is directed to the following:

- a. A DBE must be a small business firm defined pursuant to Section 3 of the Federal Small Business Act and certified through the California Unified Certification Program (CUCP). A UDBE firm is a DBE certified through CUCP. In accordance with 49 CFR 26, the DBE must be certified by the SOQ due date of the Architectural and Engineering (A&E) Request for Qualifications (RFQ) before credit may be considered toward meeting the DBE goal. It is the proposer's (prime consultant's) responsibility to verify that DBEs are certified by accessing the CUCP database.
- b. The CUCP database includes DBEs certified from all certifying agencies participating in the CUCP. If a firm is certified that cannot be located on the database, please contact the Caltrans Office of Certification toll free number 1-866-810-6346 for assistance.
- c. Access the CUCP database from the Department of Transportation, Civil Rights, Office of Business and Economic Opportunity (OBEO) web site at: <http://www.dot.ca.gov/hq/bep/>.
  - Click on the link in the left menu titled Find a Certified Firm
  - Click on Query Form link, located in the first sentence
  - Click on Certified DBEs (UCP) located on the first line in the center of the page
  - Click on Click To Access DBE Query Form
  - Searches can be performed by one or more criteria
  - Follow instructions on the screen

- "Start Search", "Requery", "Civil Rights Home", and "Caltrans Home" links are located at the bottom of the query form

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MUST USE EITHER INTERNET EXPLORER 5.5 OR NETSCAPE 7 (OR GREATER) FOR THIS DATABASE.

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Resources to Obtain a List of Certified DBEs for Caltrans Solicitations:

Consultants proposing on Caltrans solicitations with a contract goal for UDBE participation may contact the DBE supportive services consultant or obtain lists of certified DBEs from the CUCP database referenced above.

- d. In order to be considered a responsible and responsive proposer, the proposer must make a good faith effort to meet the contract goal for UDBE participation established for the Agreement. The proposer can meet this requirement in one of two ways:
- (1) Meet the contract goal and document commitments for participation by UDBE firms.
  - (2) If the contract goal is not met or is partially met, the proposer must document an adequate GFE.
- e. A proposer (prime consultant), who is not a certified DBE, will be required to document one or a combination of the following:
- (1) The proposer will meet the contract goal for UDBE participation through work performed by UDBE subconsultants, suppliers, or trucking companies.
  - (2) Prior to SOQ submittal, the proposer made an adequate GFE to meet the contract goal for UDBE participation.
- f. A certified DBE may participate as a prime consultant, subconsultant, joint venture partner, as a vendor of material or supplies, or as a trucking company.
- g. A certified DBE proposer not proposing as a joint venture with a non-DBE is required to document one or more of the following:
- (1) The DBE proposer will meet the goal by performing work with its own forces.
  - (2) The proposer will meet the contract goal for UDBE participation through work performed by UDBE subconsultants, suppliers, or trucking companies.
  - (3) Prior to SOQ submittal, the proposer made adequate GFEs to meet the contract goal for UDBE participation.
- h. A DBE joint venture partner must be responsible for specific Agreement items of work, or portions thereof. Responsibility means actually performing, managing, and supervising the work with its own forces.
- i. The DBE joint venture partner must share in the capital contributions, control, management, risks and profits of the joint venture. The DBE joint venture must attach and submit the joint venture agreement with the ADM 0227F as instructed in page 2 of the form.
- j. A DBE must perform a Commercially Useful Function (CUF), pursuant to 49 CFR 26, i.e., must be responsible for the execution of a distinct element of the work and must carry out its responsibility by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible for materials and supplies to be used on the Agreement for negotiating price, determining quality, and quantity, installing (where applicable), and paying for the material itself.

- k. Any dollar amount of work, service or supplies proposed for DBE/UDBE participation can be counted only once. That is, any further subcontracting or spending for DBE/UDBE work, service or supplies already credited once for DBE participation cannot be counted again.
- l. A prime consultant who is a certified DBE is eligible to claim all of the work in the Agreement toward the goal except that portion of the work to be performed by non-DBE subconsultants.
- m. If the proposer performs and documents an adequate GFE to meet the goal, the award cannot be denied on the basis that the proposer failed to meet the goal.

#### 4. CREDIT: MATERIALS – SUPPLIES – TRUCKING COMPANIES

- a. CREDIT FOR MATERIALS OR SUPPLIES PURCHASED FROM DBEs/UDBEs WILL BE AS FOLLOWS:
  - (1) If the materials or supplies are obtained from a DBE/UDBE manufacturer, 100 percent of the cost of the materials or supplies will count toward the DBE/DBE goal.
  - (2) A DBE/UDBE manufacturer is a firm that operates or maintains a factory or establishment that produces, on the premises, the materials, supplies, articles, or equipment required under the Agreement and of the general character described by the Agreement.
  - (3) If the materials or supplies are purchased from a DBE/UDBE regular dealer, 60 percent of the cost of the materials or supplies will count toward the DBE/UDBE goal.
  - (4) A DBE/UDBE regular dealer is a firm that owns, operates or maintains a store, warehouse or other establishment in which the materials, supplies, articles or equipment of the general character described by the specifications and required under the Agreement are bought, kept in stock and regularly sold or leased to the public in the usual course of business.
  - (5) To be a DBE/UDBE regular dealer, the firm must be an established, regular business that engages, as its principal business and under its own name, in the purchase and sale or lease of the products in question. A person may be a DBE/UDBE regular dealer in such bulk items as petroleum products, steel, cement, gravel, stone or asphalt without owning, operating or maintaining a place of business as provided in this paragraph if the person both owns and operates distribution equipment for the products.
  - (6) Any supplementing of regular dealers' own distribution equipment shall be a long-term lease Agreement and not on an ad-hoc or Agreement by Agreement basis.
  - (7) Packagers, brokers, manufacturers' representatives, or other persons who arrange or expedite transactions are not DBE/UDBE regular dealers within the meaning of this paragraph.
  - (8) Credit for materials or supplies purchased from a DBE/UDBE which is neither a manufacturer nor a regular dealer will be limited to the entire amount of fees or commission charged for assistance in the procurement of the materials and supplies or fees or transportation charges for the delivery of materials or supplies required on a job site, provided the fees are reasonable and not excessive as compared with similar fees charged for services. The cost of materials or supplies is not counted toward the DBE/UDBE goal in this instance.

b. CREDIT FOR DBE/UDBE TRUCKING COMPANIES WILL BE AS FOLLOWS:

- (1) The DBE/UDBE must manage and supervise the entire trucking operation for which it is responsible on a particular Agreement and there cannot be a contrived arrangement for the purpose of meeting the DBE/UDBE goal.
- (2) The DBE/UDBE must itself own and operate at least one fully licensed, insured, and operational truck used on the Agreement.
- (3) The DBE/UDBE will receive credit for the total value of the transportation services it provides on the Agreement using trucks it owns, insures, and operates using drivers it employs.
- (4) The DBE/UDBE may lease trucks from another DBE/UDBE firm, including an owner-operator who is certified as a DBE/UDBE. The DBE/UDBE who leases trucks from another DBE/UDBE receives credit for the total value of the transportation services the lessee DBE/UDBE provides on the Agreement.
- (5) The DBE/UDBE may also lease trucks from a non-DBE firm, including an owner-operator. The DBE/UDBE who leases trucks from a non-DBE is entitled to credit only for the fee or commission it receives as a result of the lease arrangement. The DBE/UDBE does not receive credit for the total value of the transportation services provided by the lessee, since these services are not provided by a DBE/UDBE.
- (6) A lease must indicate that the DBE/UDBE has exclusive use and control over the truck. This does not preclude the leased truck from being used by others during the term of the lease with the consent of the DBE/UDBE, as long as the lease gives the DBE/UDBE absolute priority for use of the leased truck.
- (7) Leased trucks must display the name and identification number of the DBE/UDBE.

5. USE OF PROPOSED DBEs

If awarded the Agreement, the successful proposer must use the DBE/UDBE subconsultant(s) and or supplier(s) proposed in its proposal.

The Consultant may not substitute, add or terminate a subconsultant, supplier or, if applicable, a trucking company, listed in the original proposal without the prior written approval of the Contract Manager.

The Consultant must make an adequate GFE to find another certified DBE subconsultant to substitute for the original DBE. The GFE shall be directed at finding another DBE to perform at least the same amount of work under the Agreement as the DBE that was substituted or terminated to the extent needed to meet the established contract goal for UDBE participation.

The requirement that DBEs must be certified by the SOQ due date does not apply to DBE substitutions after award of the Agreement. Substitutions of DBEs after award must be certified at the time of the substitution or addition.

Authorization to use other subconsultants or suppliers may be requested for the following reasons:

- a. The listed DBE, after having had a reasonable opportunity to do so, fails or refuses to execute a written Agreement, when such written Agreement, based upon the general terms and conditions for this Agreement or on the terms of such subconsultant's or supplier's written proposal, is presented by the Consultant.
- b. The listed DBE becomes bankrupt or insolvent.
- c. The listed DBE fails or refuses to perform the subcontract or furnish the listed materials.

- d. The Consultant stipulated that a bond was a condition of executing a subcontract and the listed DBE subconsultant failed or refuses to meet the bond requirements of the Consultant.
- e. The work performed by the listed subconsultant is substantially unsatisfactory and is not in substantial conformance with the scope of work to be performed, or the subconsultant is substantially delaying or disrupting the progress of the work.
- f. When it would be in the best interest of the State.

## 6. FORMS

Caltrans forms that are referenced in this section and can be found on Caltrans' A&E website: <http://caltrans-opac.ca.gov/aeinfo.htm>.

ADM 0227F Disadvantaged Business Enterprise (DBE) Information/Underutilized DBE (UDBE) Participation form

ADM 0312F Bidder/Proposer Underutilized Disadvantaged Business Enterprise (UDBE) Good Faith Efforts Documentation form

The forms can also be obtained by contacting the analyst listed in the solicitation.

## 7. QUESTIONS

Questions concerning DBE certification requirements and good faith effort documentation must be addressed to:

State of California  
Department of Transportation  
Office of Business and Economic Opportunity  
1823 14<sup>th</sup> Street  
Sacramento, California 95814-7189

Or you may call (1-866) 810-6346, toll free. Information regarding DBE firms certified by Caltrans is available via the Internet at [www.dot.ca.gov/hq/bep](http://www.dot.ca.gov/hq/bep).

**Use this section B for ALL State-funded Agreements.**

### B. DISABLED VETERAN BUSINESS ENTERPRISE PARTICIPATION GOAL

1. Consultants are asked to attain the required Disabled Veteran Business Enterprise (DVBE) goal. The DVBE participation goal forms must accompany the consultant's SOQs. (Revised 05/01/06.)
2. The DVBE form can be downloaded from <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice:
  - Documentation of Disabled Veteran Business Enterprise Program Requirements, STD 840
3. When completing the STD 840 (DVBE), the anticipated goal percentage for each firm listed must be inserted in the box labeled "Estimated \$ and/or %" and the submitting firm name and the solicitation number must be inserted on the top of each page.
4. The Department of General Services, Office of Small Business Certification and Resources provides information on the Internet regarding how to become a certified DVBE firm and also lists all certified DVBE firms at the following Internet address: <http://www.pd.dgs.ca.gov/smbus>.

**Use this section C for ALL State-funded Agreements.**

**C. SMALL BUSINESS PARTICIPATION GOAL**

Pursuant to Governor's Executive Order S-02-06, Caltrans may establish a small business participation goal for the contract (see RFQ Notice). Consultants may provide, at time of award, the Small Business Questionnaire ADM 2046 form identifying all the certified small businesses to be utilized in meeting this goal. The form is available at <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ.

**III. CPA WORKPAPER REVIEW PROGRAM**

Effective July 1, 2010, Caltrans implemented a Certified Public Accountant (CPA) Workpaper Review Program, as follows:

- A. For A&E contracts whose total value equals or exceeds \$3,500,000, prime consultant firms will be required to submit an indirect cost rate(s) audited by an independent CPA firm in accordance with the following criteria and acceptable indirect cost rate schedule formats:
1. Government Auditing Standards (GAS) issued by the United States Government Accountability Office.
  2. 23 Code of Federal Regulations (CFR), Chapter 1, Part 172—Administration of Engineering and Design Related Service Contracts.
  3. 48 CFR, Chapter 1, Part 31—Contract Cost Principles and Procedures
  4. 48 CFR, Chapter 99—Cost Accounting Standards, Subpart 9900
  5. American Association of State Highway and Transportation Officials (AASHTO), Uniform Audit & Accounting Guide, available at: [http://audit.transportation.org/Documents/2010\\_Uniform\\_Audit\\_and\\_Accounting\\_Guide.pdf](http://audit.transportation.org/Documents/2010_Uniform_Audit_and_Accounting_Guide.pdf). Sample indirect cost rate schedules are on pages 38 to 40.
- B. At the discretion of Caltrans, the indirect cost rate(s) and related independent CPA workpapers may be reviewed by Audits and Investigations (A&I) to verify the accuracy and CPA's compliance with 48 CFR, Part 31 and related laws and regulations, and to determine if the audit report is acceptable.
- C. Subconsultants are not required to submit a CPA-audited Indirect Cost Rate Audit Report or State DOT Indirect Rate Cognizant Approval Letter. However, all subconsultants associated with any contract are required to have Federal Acquisition Regulation (FAR) Compliant Indirect Cost Rate(s) prepared in accordance with 48 CFR, Chapter 1, Part 31 in the event they are audited by A&I. A FAR Compliant Indirect Cost Rate(s) should be proposed on all subconsultant cost proposals or when available, a State DOT Cognizant Approved Indirect Cost Rate(s) must be proposed.
- D. The required documents must be received by Caltrans within the requested timeframe, as stated in paragraph E. of this section. If the first-ranked consultant does not have an indirect cost rate audited by an independent CPA, the selection process will be discontinued with the first-ranked consultant and the next-ranked consultant will be selected, etc.

E. REQUIRED DOCUMENTS:

	Contracts Whose Value Equals or Exceeds \$3,500,000	Contracts Whose Value Is Less than \$3,500,000**
CPA-audited Indirect Cost Rate Audit Report or Approved State DOT Cognizant Indirect Rate	Required.*	Not required.***
Completed Internal Control Questionnaire (ICQ), Attachment B of AASHTO Guide <a href="http://audit.transportation.org/Documents/2010_Uniform_Audit_and_Accounting_Guide.pdf">http://audit.transportation.org/Documents/2010_Uniform_Audit_and_Accounting_Guide.pdf</a>	Required.^	Have ready and available for Caltrans review.

\*Required documentation will be submitted to DPAC by the selected consultant at the scheduled cost negotiation meeting. The specific due date and location will be stated in the Notification of Selection letter sent to the selected consultant.

^Required in instances when a State DOT Cognizant Indirect Cost Rate approval letter is not issued.

\*\*The type of audit or procedure could consist of preaward/postaward audit, incurred cost audit, overhead audit, financial management system review, or any other audit procedures deemed necessary by A&I.

\*\*\*CPA-audited Indirect Cost Rate Audit Report not required; however, if a CPA-audited indirect cost rate is available for the appropriate fiscal year, then the consultant should propose this indirect cost rate in the cost proposal submitted.

IV. PROVISIONAL RATE

A. This section and the related procedures below will apply to prime consultants and subconsultants where the proposed agreement is less than \$3,500,000.

B. All prime consultants and subconsultants are required to submit an indirect cost rate(s) that has been prepared in accordance with the following criteria and acceptable indirect cost rate schedule formats:

1. Government Auditing Standards (GAS) issued by the United States Government Accountability Office.
2. 23 Code of Federal Regulations (CFR), Chapter 1, Part 172—Administration of Engineering and Design Related Service Contracts.
3. 48 CFR, Chapter 1, Part 31—Contract Cost Principles and Procedures
4. 48 CFR, Chapter 99—Cost Accounting Standards, Subpart 9900
5. American Association of State Highway and Transportation Officials (AASHTO), Uniform Audit & Accounting Guide, available at:  
[http://audit.transportation.org/Documents/2010\\_Uniform\\_Audit\\_and\\_Accounting\\_Guide.pdf](http://audit.transportation.org/Documents/2010_Uniform_Audit_and_Accounting_Guide.pdf). Sample indirect cost rate schedules are on pages 38 to 40.

C. The following order of precedence has been established for consideration of available and acceptable indirect cost rate(s) data for each consultant:

1. The prior fiscal year Cognizant approved indirect cost rate(s) for the consultant.

2. The prior fiscal year indirect cost rate(s) audited by an independent CPA.
  3. The prior fiscal year indirect cost rate(s) evaluated on a prior Caltrans or Local Agency contract.
  4. The prior fiscal year indirect cost rate(s) approved by another State DOT.
  5. The most recent completed fiscal year indirect cost rate(s), unaudited, and developed in-house by the consultant's CFO/Controller/Accounting Manager.
  6. A Defense Contract Audit Agency (DCAA) audited indirect cost rate(s) for the prior fiscal year.
- D. DPAC reserves the right to consult with A&I on the provisional indirect cost rate(s), when necessary. In addition the consultant understands that the provisional indirect cost rate(s) is subject to A&I's audit/analytical procedures after contract execution.

## V. POST-GOVERNMENT EMPLOYMENT RESTRICTIONS

- A. Former Caltrans employees, including former retired annuitants, designated in a Conflict of Interest Code are subject to post employment restrictions under Government Code Section 87406. Former designated Caltrans employees that have not been separated from the State for more than one (1) year are prohibited from:
1. Entering into a contract with Caltrans as an individual.
  2. Making any formal or informal appearances or oral or written communications to Caltrans or to any of its officers or employees. This includes attendance or participation in:
    - a. Selection interviews.
    - b. Scoping meetings.
    - c. Contract and task order negotiations.
    - d. Direct involvement in cost proposal and audit activities.
- B. Former Caltrans employees, including former retired annuitants, may be subject to a lifetime post-employment ban under Government Code Sections 87400-87403.

Violation by consultant(s) of any provisions found in the paragraphs above shall render every contract or other transaction entered into void unless the violation is technical or non-substantive.

- C. Information regarding post-employment ban as stated in above-referenced Government Codes may be viewed by visiting <http://www.fppc.ca.gov/index.php?id=33>

## VI. CONFLICT OF INTEREST CONCERNING CONSULTANT(S)

- A. Prospective consultants shall disclose any financial, business or other relationship with the State of California, especially the Department of Transportation or the California Transportation Commission, that may have an impact upon the outcome of the contract. Prospective consultants shall also list current clients who may have a financial interest in the outcome of the contract.
- B. Information regarding conflict of interest may be viewed by visiting <http://www.leginfo.ca.gov/calaw.html>

## VII. MISCELLANEOUS

### A. Modification or Withdrawal of Submittals

Any SOQ received may be withdrawn or modified prior to the SOQ submittal date by written request to Caltrans by the prime consultant.

### B. Property Rights

SOQs received become the property of the State of California, Department of Transportation.

### C. Confidentiality

Before award of the contract, all SOQs will be designated confidential. After award of the contract all SOQs become public record. Contracts are considered awarded after they are fully executed by both parties. Any language purporting to render any portion of the SOQ to be excluded from public review will be regarded as non-effective and will be disregarded.

### D. Addendum to Request for Qualifications/Proposal

Caltrans reserves the right to amend the RFQ Notice by addendum before the final SOQ submittal date.

### E. Non-Commitment of Caltrans

1. This RFQ does not commit Caltrans to award a contract, to pay any costs incurred in the preparation of an SOQ for this request, or to procure or contract for services.
2. All products used or developed in the execution of any contract resulting from this RFQ will remain in the public domain at the completion of the contract.

### F. Americans with Disabilities Act

The consultant shall assure Caltrans that it will comply with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 U.S.C. Section 12101 et seq.).

### G. References

Caltrans reserves the right to check references not only for those stated in the SOQ but also references from Caltrans' consultant evaluation reports. Reference information provided in the SOQ found to be in error may be reflected as a reduction in your evaluation score.

## VIII. GENERAL CONTRACT PROCESS INFORMATION

### A. CONSULTANT SELECTION AND CONTRACT NEGOTIATIONS

1. The consultants will be selected by means of a dual selection process (evaluation of SOQs followed by an interview of those short-listed).
2. The criteria in ADM 2027 is the basis for the initial evaluation, scoring and ranking of consultant's SOQs to establish a short-list of firms to be interviewed. The ADM 2027 is

available at: <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice.

3. Those consultants evaluated by a selection committee, and judged to be the best qualified to undertake the services, based upon the combined scores and ranking of the SOQs, will be interviewed and again scored and ranked by the selection committee.  
The criteria in ADM 2028 is the basis for the evaluation, scoring and ranking of consultants interviewed. The ADM 2028 is available at: <http://caltrans-opac.ca.gov/aeinfo.htm> or may be obtained by contacting the contract analyst named in the RFQ Notice.
4. Each short-listed consultant will be required to submit a sealed cost proposal during the interview. All the necessary forms and instructions will be provided to the short-listed consultants with the interview notification correspondence. Only the cost proposal of the proposed awardee will be opened. All unopened cost proposals will be returned at the conclusion of the award process.
5. The contract will be negotiated pursuant to Section 4528 of the California Government Code. A contract with fixed rates of compensation for specific persons and classifications will be negotiated with the top-ranked consultant in accordance with Government Code Section 4528. If agreement cannot be reached with the top ranked consultant, negotiations will be terminated and negotiations started with the next-ranked consultant for the contract. Caltrans reserves the right to negotiate a firm-fixed-price contract or a combination of specific rates of compensation for a specific phase of the project and firm-fixed-price for another phase. Caltrans also reserves the right to entertain firm-fixed-price task orders or fixed rates of compensation (i.e. actual costs plus other direct costs) for any contract when the Caltrans contract manager deems appropriate. Firm-fixed-price task orders may be negotiated for work resulting from this solicitation.
6. If the consultant is a corporation, the consultant must certify that the corporation is in good standing to do business in California. Pursuant to Revenue and Taxation Code 23101, "Doing business means actively engaging in any transaction for the purpose of financial or pecuniary gain or profit."
7. If the consultant is selected for the contract and found to have an invalid corporate status with the California Secretary of State's Office, the contract will be voided unless the consultant can provide validity of corporate status within five (5) working days of notification of intent to cancel.
8. The consultant finally selected must comply with Government Code Section 8355 in matters relating to providing a drug-free work place.
9. All work shall be done in accordance with State standards, policies, procedures, regulations and laws.

## B. AUDIT REQUIREMENT

### Pre-award Audit

1. A pre-award audit may be performed prior to award of a contract. The pre-award audit will be conducted in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office.

2. The scope of the audit will consist of such tests as the auditors consider necessary to assure that the consultant satisfactorily meets the requirements outlined in items a-c below prior to execution of the contract.
  - a. At the time of the pre-award audit, the prospective consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate and, if necessary, recommend that an interim audit be performed. At a minimum, the consultant must have an accounting system that meets the following objectives:
    - (1) The ability to record and report financial data in accordance with generally accepted accounting principles and the Code of Federal Regulations, Title 48, Federal Acquisition Regulations System (FAR), Chapter 1, Part 31.
    - (2) The ability to accumulate and segregate reasonable, allowable and allocable costs through the use of a cost accounting system.
    - (3) A system of record keeping to ensure the costs billed to Caltrans will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.
    - (4) Procedures to retain accounting records and source documentation as required by the terms of the contract.
    - (5) A system of internal control which provides reasonable assurance that assets are protected; financial data, records and statements are reliable, and errors and irregularities are promptly discovered, reported and corrected.
  - b. The prospective consultant must be financially capable of performing the work.
  - c. The costs proposed must be fair and reasonable.

Additional information regarding the accounting and audit guidelines for contracts with Caltrans is available on the Internet at: <http://caltrans-opac.ca.gov/aeinfo.htm>

#### Post-award Audit

1. A post-award audit may be performed after the contract is fully executed. The post-award audit will be conducted in accordance with generally accepted government auditing standards as promulgated by the United States General Accounting Office.
2. The consultant awarded the contract agrees that any audit recommendations regarding contract amount, the consultant's cost proposal or individual items of cost, at Caltrans' sole discretion, may be incorporated into the contract.
3. The rates included in the consultant's cost proposal, after the post-award audit recommendations are incorporated, shall remain in effect for the duration of the contract.
4. Refusal by the consultant to concur with the adjusted rates recommended in the post-award audit finding may result in contract termination.

5. The scope of the audit will consist of such tests as the auditors consider necessary to assure that the consultant satisfactorily meets the requirements outlined in items a-c below prior to execution of the contract.
  - a. At the time of the post-award audit, the prospective consultant must demonstrate through actual historical data that its accounting system is capable of accumulating and segregating reasonable, allowable and allocable costs. For new businesses, if actual historical data is unavailable or the accounting system is newly implemented, the system will be tested to determine whether the accounting system is adequate and, if necessary, recommend that an interim audit be performed. At a minimum, the consultant must have an accounting system that meets the following objectives:
    - The ability to record and report financial data in accordance with generally accepted accounting principles and the Federal Acquisition Regulations System (FAR) at 48 FAR 31.201-6.
    - The ability to accumulate and segregate reasonable, allowable and allocable costs through the use of a cost accounting system.
    - A system of record keeping to ensure the costs billed to Caltrans will be supported by adequate documentation and will be in compliance with the terms of the contract and applicable Federal and State regulations.
    - Procedures to retain accounting records and source documentation as required by the terms of the contract.
    - A system of internal control that provides reasonable assurance that assets are protected; financial data, records and statements are reliable, and errors and irregularities are promptly discovered, reported and corrected.
  - b. The prospective consultant must be financially capable of performing the work.
  - c. The costs proposed must be fair and reasonable.

#### Other Audits/Procedures

In addition to pre-awards and post-awards, A&I reserves the right to perform incurred cost audits, overhead audits, financial management system reviews, or any other procedures deemed necessary.

Additional information regarding the Accounting and Audit guidelines for contracts with Caltrans is available on the Internet at: <http://caltrans-opac.ca.gov/aeinfo.htm>

#### C. Notification of Award

All consultants that participate in this process will be notified of the final selection.

#### D. Business License

Consultant firms are not required to obtain a business license until the time of contract signing.

03/19/09

#### E. Consultant Code of Business Ethics and Conduct (Dec. 2007)

##### 1. Definition

United States, as used in this clause, means the 50 States, the District of Columbia, and outlying areas.

## 2. Code of Business Ethics and Conduct

- a. Within 30 days after contract award, the consultant shall:
  - (1) Have a written code of business ethics and conduct; and
  - (2) Provide a copy of the code to each employee engaged in performance of the contract.
- b. The consultant shall promote compliance with its code of business ethics and conduct.

## 3. Awareness Program and Internal Control System for Other Than Small Businesses

This paragraph 3 does not apply if the consultant has represented itself as a small business concern pursuant to the award of the contract. The consultant shall establish within 90 days after contract award:

- a. An ongoing business ethics and business conduct awareness program; and
- b. An internal control system.
  - (1) The Consultant's internal control system shall:
    - (a) Facilitate timely discovery of improper conduct in connection with Government contracts; and
    - (b) Ensure corrective measures are promptly instituted and carried out.
  - (2) For example, the consultant's internal control system should provide for:
    - (a) Periodic reviews of company business practices, procedures, policies, and internal controls for compliance with the consultant's code of business ethics and conduct and the special requirements of Government contracting.
    - (b) An internal reporting mechanism, such as a hotline, by which employees may report suspected instances of improper conduct, and instructions that encourage employees to make such reports;
    - (c) Internal and/or external audits, as appropriate; and
    - (d) Disciplinary action for improper conduct.

## 4. Subcontracts

The consultant shall include this clause, including this paragraph 4, in subcontracts, except when the subcontract:

- a. Is for the acquisition of a commercial item; or
- b. Is performed entirely outside the United States.