

Utilizing Lump Sum Task Orders on Districtwide CEI Contracts

If allowed as a payment mechanism in the contract, a lump sum task order may be appropriate for consultant CEI tasks that have a clearly defined scope. The benefit of the lump sum task order is that it establishes a set price for project inspection costs up front. This allows VDOT to better budget the cost for project inspection and gives the consultant more authority to manage resources to effectively meet the agreed upon task. When lump sum task orders are utilized, it is important to make sure that the quality of project inspection is not sacrificed. Expectations of the consultant's roles and responsibilities must be clearly defined in the lump sum task order.

Project or Assignment Identification

Candidate projects for consultant CEI lump sum task orders should be identified at the Pre-Advertisement Conference (PAC). At this time during project development, the project scope will be finalized and the District should know whether they will be using VDOT or consultant inspection services. Since lump sum task orders are a new concept for VDOT, at this time they should only be considered for projects or assignments that have a well defined scope, short duration (one construction season or less), logical sequence of construction, and a simple maintenance of traffic plan. When lump sum task orders are used, all inspection personnel must be provided by the consultant's team. This will clearly place the responsibility for quality inspection on the prime consultant.

Lump sum task orders are not appropriate for projects that will have a mixture of inspection resources from VDOT and the consultant or a mixture of inspection resources from different consultant teams. In addition, projects that will require complicated contractor means and methods, unusual contract requirements, or unspecified bid item quantities or other characteristics that bring a high level of uncertainty to the project delivery schedule are not well suited for lump sum task orders.

Short duration assignments such as the review of project records, constructability reviews, bidability reviews, or the development of contract time duration reports (CTDR) are also good examples of work that can be completed by consultants using a lump sum task order.

Consultant Selection

Once a project or assignment is identified for a lump sum task order, the District should approach only one prime consultant and request that they identify the inspection resources on their team that are available to perform the associated work for the specified duration. The District should provide the consultant with the latest copies of the contract/proposal (including Special Provisions), plans, and CTDR so the consultant fully understands the intended scope of work and inspection requirements for the project. Performance based inspection requiring the consultant to meet the minimum inspection requirements identified in various VDOT policies and procedures (such as the Inspection Manual, Construction Manual, Materials MOI, and Virginia Test Methods) is preferred. However, if it is anticipated that more inspectors will be required, the District should identify the number of inspectors desired throughout the project duration. Alternatively, the District can expand upon minimum requirements by setting expectations such as testing every load of concrete, always having an inspector on site in the field when the contractor is working, no work after final acceptance except for close-out tasks, etc..

The prime consultant should be selected based on a desire to spread work as evenly as possible to all prime consultants with contracts in the District. This could be based on a predetermined rotation of prime consultants, available contract capacity in the current term, annual utilization rates of the prime consultants, inability of other consultant teams to adequately staff the project, or other methods identified in Section 5.2.3.3 of the VDOT Consultant Procurement Manual.

Identification of Inspection Resources

The consultant should provide the VDOT Task Manager with resumes of personnel proposed to complete the task within 3 business days. The VDOT Task Manager will review the resumes and determine whether or not the qualifications, certifications, and experience of the proposed personnel will meet the Department's needs for the assignment. If the proposed personnel meet the Department's needs, then the VDOT Task Manager will request the consultant to provide a manpower plan and lump sum fee proposal for the assignment. If the proposed personnel do not meet the Department's needs, then the VDOT Task Manager will request the consultant provide different personnel from their team to better meet the Department's desired qualifications, certifications, and experience for inspection on the project. After reviewing the resumes of the proposed different personnel, the VDOT Task Manager will either accept the personnel and request the manpower plan and fee proposal, or reject the proposed different personnel. If the proposed personnel are rejected (or not provided within 3 business days), then the VDOT Task Manager can select a different consultant and request that they identify the inspection resources on their team that are available to perform the associated work for the specified duration. This process will continue until a consultant proposes personnel that meet the needs of the Department.

Submittal of Manpower Plan and Lump Sum Fee Proposal

The consultant will submit a manpower plan and lump sum fee proposal to the VDOT Task Manager based on the contract, plans, and CTDR previously provided. The manpower plan will identify each proposed personnel by name and include the expected number of hours that each personnel will work on the project each week throughout the duration of the assignment. The Lump Sum Fee Proposal will be calculated by multiplying the total number of hours for each personnel by the associated fully loaded billable rate for that classification that is identified in the contract for the correct year. The fully loaded rate already considers the consultant's base rate, overhead, escalation, and profit.

Negotiation of the Lump Sum Fee Proposal

For project inspection assignments, the VDOT Task Manager will compare the consultant's manpower plan and lump sum fee proposal to the CEI budget that was previously developed for the project. In order for the comparison to be accurate, the CEI budget must be reviewed to make sure it is not inflated and only includes the minimum performance based inspection requirements that will be identified in the task order. Close attention should be paid to the number of hours budgeted for each CEI classification (i.e. Responsible Charge Engineer, Construction Manager, Senior Inspector, Inspection, and Inspector Trainee). These should be similar to verify that VDOT and the consultant have the same expectation for inspection on the project. The VDOT Task Manager should discuss any significant differences (higher or lower than expected) with the consultant. Once differences are resolved, then the VDOT Task Manager should determine whether the lump sum fee is within the project's budget for CEI costs.

If the consultant's lump sum fee is within the project's budget for CEI costs, then the VDOT Task Manager can send the task order to the Construction Division's CEI Program Manager for review. Until further notice, all Lump Sum Task Orders must be approved by the State Construction Engineer prior to execution by the District.

If the lump sum fee is not within the project's budget for CEI, then the Task Manager may negotiate a lower fee with the consultant based on a reduced number of hours. If VDOT and the consultant cannot agree on the lump sum, then VDOT and the consultant can either execute a billed hourly rate task order for the assignment, or VDOT can select a different consultant and request that they identify the inspection resources on their team that are available to perform the associated work for the specified duration.

Administering the Lump Sum Task Order

Lump sum task orders establish a fee for personnel to perform CEI services based on the scope of work identified in the contract, plans, and CTDR. It is VDOT's expectation that these services will be provided for the fee identified in the lump sum task order regardless of the time it takes the contractor to complete the project. If the contractor completes the work identified in the contract sooner or later than the contract completion date, the lump sum fee paid for inspection services will remain the same. The consultant merely needing to work more hours than anticipated in the manpower plan to adequately provide inspection is not sufficient cause to increase lump sum fee. The lump sum fee will only change if the scope of work or duration of the construction contract is altered by an approved change order. In these instances, an additional lump sum task order should be considered to accommodate any additional or reduced inspection that will result from the execution of the change order.

For project inspection, consultants may bill VDOT monthly for work performed on lump sum task orders based on a percentage of work complete that is equivalent to the percentage of work that the contractor has completed at that time on the project. For other assigned tasks, the consultant may bill VDOT actual costs (as opposed to the fixed billable rate) similar to project-specific contracts, until the entire lump sum has been billed. It is the joint responsibility of the VDOT Task Manager and Consultant Inspector Coordinator (CIC) to ensure quality inspection and performance throughout the assignment. Any concerns regarding inspection quality or performance will be immediately brought to the attention of the CIC. If the concerns are not addressed in a timely manner, then they will be noted in the Consultant Performance Evaluation (CPE). VDOT will not pay for inspection or performance that does not meet the minimum requirements identified in the task order. Appropriate reductions to the lump sum fee may be made if the VDOT Task Manager provides documentation that indicates the minimum requirements were not met.