



**GUIDANCE FOR HIRING OF ENGINEERING SERVICES
FOR
CT CLEAN WATER FUND PROJECTS
OCTOBER, 2021**

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A MUNICIPAL OFFICIAL'S GUIDE TO PROCURING PROFESSIONAL SERVICES

The purpose of this document is to introduce municipal officials to the Clean Water Fund procurement requirements and the Quality Based Selection process. This document is to serve as a supplement to, rather than a substitute for, the Clean Water Fund Regulations Section 22a-482-4(i) for Architectural/Engineering Procurement Requirements.

A. GETTING STARTED

The cost of services for design of the average facility is a minor cost compared to the total construction cost of the project. Although the design cost of a project is a very small percentage of the total lifetime project cost, the impact of a poorly designed facility can have serious, costly repercussions in the future. Therefore, the consultant selection process is of paramount importance in building your facility. The consultant should be chosen based on their degree of competence and experience.

The selection process can be condensed into the following steps:

- Establish an interview committee.
- Identify potential engineering firms.
- Establish uniform criteria against which all firms will be judged.
- Issue a Request for Qualifications.
- Interview the prospective candidates.
- Select the most qualified consultant based on uniform criteria.
- Negotiate a contract.

To judge a candidate's qualifications, establish a committee/board that includes persons with technical knowledge. Members of such a committee may include members of the town's Wastewater Pollution Control Authority, Director of Public Works, Town Engineer, and/or treatment plant superintendent. Once an advisory board has been established, you can then evaluate the qualifications and determine how well they meet the established criteria.

B. IDENTIFYING POTENTIAL ENGINEERING FIRMS

1. WHAT KIND OF SERVICES DO YOU NEED?

Before any action is taken to solicit information from various engineering firms, you must determine what your needs are with respect to the project's completion. Consider factors such as the type of work to be done, the timetable to complete the work, the funding mechanisms to be used (State of Connecticut Clean Water Fund, United States Department of Agriculture Rural Development, State of Connecticut Department of Economic and Community Development, etc.) Once you have an idea of what the project will entail, then engineering firms can be contacted.

2. CRITERIA USED TO SELECT ENGINEERING FIRMS TO INTERVIEW

Establish criteria used to select consultants that will be interviewed. Examples include the following:

- Qualifications of personnel to be assigned to the project team.
- Overall experience of the personnel as a team.
- Ability and resources to perform the necessary tasks within time constraints.
- Firm's awareness of project's issues, opportunities, and constraints.
- Project team's experience on similar projects.

- Quality of past work.
- Performance evaluation from past clients.
- Performance record on contracts with the municipality, government agencies, and private industry.
- Avoidance of any conflicts of interest.

3. HOW TO PUBLISH A REQUEST FOR QUALIFICATIONS (RFQ)

a. The Request for Qualifications

The first step involves informing engineering firms that you are interested in their services. This is done by preparing a public notice known as a Request for Qualifications (RFQ). A RFQ is required if you plan to seek financial assistance through the DEEP's Clean Water Fund. The following list suggests various ways in which the public notice for a RFQ can be circulated:

- Professional engineering journals and organizations,
- Local newspapers,
- Publications which have a substantive circulation in the area,
- Posted public notices, and
- Direct written notifications to firms or persons that have previously expressed interest in or have worked for the town.

The only instances where a public notice is not required by the DEEP's regulations are:

- If your municipality is in the design/construction phase of a project and it is satisfied with the qualifications of the firm which performed any or all of the planning/design work and if the firm has sufficient ability to complete the remaining work, or
- If, in a multi-phase project, the initial contract for the preparation of construction drawings and specifications does not cover all the phases of the facility to be built, then the same firm can be selected for the design work of the subsequent phases.

b. The Request for Qualifications' Content:

A RFQ must not request any cost information.

A RFQ should include the following:

- A description of the proposed project.
- Any special expertise required for your project.
- A statement telling the firm what you want it to do along with an approximate completion date.
- A deadline by which the town must receive the firm's statement of qualifications.
- The person in your town the firm can contact for additional information and the evaluation criteria used to select consultants for short list (see below).
- Place and time the statement of qualifications must be submitted.
- Solicitation statement

"Any contract awarded under this request for qualifications is expected to be funded in part by the State of Connecticut, Department of Energy and Environmental Protection. This procurement will be subject to requirements contained in Section 22a-482-4(h), (i), and (o) of the regulations of Connecticut State Agencies. The State of Connecticut will not be a party to this request for qualifications or any resulting contract."

C. THE SELECTION PROCESS

1. REVIEWING THE QUALIFICATION STATEMENTS

When you have received all the statements of qualifications, verify that they meet the judgment

criteria that you initially set. From the firms that meet all the criteria, select at least three to five which appear to be the best.

2. DEVELOPING A SHORT LIST OF CONSULTANTS TO INTERVIEW

Once you have reviewed all the statements of qualifications which were submitted, you must narrow down the number of firms to no fewer than three that will be considered for your project's completion. You may base your evaluation on any combination of the factors outlined above in the "criteria used to select engineering firms to interview".

Once the firms selected to be interviewed has been made, two letters should be mailed. The letter to the firms not selected should contain the following information:

- List the firms not selected in alphabetical order.
- Express appreciation for their submittals of qualifications.

A letter to the firms to be interviewed should contain the following information:

- List the firms selected for interviews in alphabetical order.
- Present schedule of the date, time, and duration of interview for each firm.
- List the previous reports that are pertinent to the project.

3. INTERVIEWING CANDIDATE FIRMS

When you arrange for interviews with the short-listed firms, inform the firms that you would like to interview the staff which will be working on the project rather than a company representative. You should interview about 2 to 4 firms per day (or evening, if your board has WPCA members with other daytime responsibilities) over the period of one week. Try to complete your interviews in the same week so that the memory of each firm's interview is still fresh in your mind when you try to make your decision. An evaluation form with predetermined selection criteria should be used to enable the interviewers to uniformly evaluate each consultant (see appendix). There must be no discussion of cost information during the interview process. The evaluation form should include the following:

Evaluation Criteria

1. Client Experience

- Does the firm have experience with communities of similar size, population, and financial background as yours?
- If so, which towns have they worked with in the recent past?

2. Facility Planning and System Design Experience (depending on the type of engineering effort being sought)

- Does the firm have experience in conducting facility planning and designing systems for communities such as your own?
- Do they have experience with septic systems, or is their expertise predominately with sewer systems and centralized treatment plants?
- What type of systems has the firm recommended, designed and installed in projects similar to your own?

3. Experience with Financial Institutions and Funding Agencies

- What experience does the firm have in dealing with grant and loan programs such as the DEEP's Clean Water Fund and USDA Rural Development programs?

4. Experience with State Agencies

- What experience does the firm have in dealing with State agencies such as the

Department of Energy and Environmental Protection and the Department of Public Health?

5. Willingness to Work with the community

- How does the firm plan to handle public participation in this project?

6. Staff Capabilities and Workload

- Which staff persons in their office will be assigned to your project? What are their qualifications?
- What time schedule does the firm project to finish your work?
- What projects is the firm currently working on and what new projects are expected which could impact your project deliverables?
- Does the firm use subcontractors for some of its work?
- If so, what type of work and how much is contracted out and to whom is the work contracted?
- If you plan to finance this project through the DEEP's Clean Water Fund, is the firm aware of the state's minority and women's business enterprise hiring requirements?

7. Project team management plan

8. Location of office facilities

9. Project quality control measures to monitor schedule and budget

10. Awards and past client recommendations

11. Past performance record on projects with other municipalities

12. Firm's capacity to perform the work in a timely fashion considering its current and future anticipated workload.

13. Financial stability of firm

14. Firms understanding of the specific project's requirements

15. What percentage of project will be done by subconsultants?

16. Firms ability to recognize potential problems

17. Reference check:

- What type of project?
- Firms responsibilities?
- Satisfaction with firm?
- Firm's ability to work well with Town staff & public?
- Was project completed at budget?
- Would you hire firm again?
- Overall evaluation of firm?

4. SELECTION OF CONSULTANT

The final selection of a firm involves evaluating all the information that has been gathered during the interview process. Discuss the pros and cons of each firm with your advisory board and, by using your best judgment, select the firm you think will do the best job. Also, it is a good idea to keep a written record that explains the basis of your decision.

Once the engineering firm has been selected, a letter to the other interviewed firms should be mailed. The letter should contain at a minimum the following information:

- List how the firms were ranked by the interviewing committee.
- Indicate that the Town has begun negotiations with the highest ranking firm.
- Thank all the firms for their time and effort.

5. NEGOTIATING A CONTRACT

a. Preparing a Contract

Upon selection of the consultant, initiate negotiations for the scope of the work, the terms and conditions of the contract and compensation. The negotiation process includes the following:

- Preparation of comprehensive proposal by the selected firm.
- Detailed presentation of scope of work, schedule, and level of effort (man hours) by the selected team.
- Identification of the personnel and facilities necessary to accomplish the work.
- Agreement on scope of work, schedule, fee, and areas of responsibility and liability.
- Establishment of a payment schedule to govern how payments will be requested by the engineer.
- Preparation of written contract binding both parties to agreement.

b. Cost and Price Considerations

The consultant selected for negotiation must submit cost and pricing data for review to the municipality. The firm must submit proposed subagreement costs on EPA form 5700-41 (see appendix). On this form, the engineer must certify that the proposed costs are an accurate representation of the costs which will be applied to the project at the date of the anticipated subagreement award. In addition to the 5700-41 form, the firm must supply manhour estimates by task.

Ask the engineer to explain the firm's estimated fee and clarify what services are included in that fee. Check if there is a distinction between basic services and any additional services. Check under what circumstances the estimated fee could change substantially. Are labor cost and overhead rate consistent with other firms? Are there any unusual expenses?

The estimated amount of profit shall also be stated in the cost summary for fixed-price contracts. In the case of cost reimbursement contracts, a maximum total dollar amount of profit shall be specified, which is paid regardless of the actual effort expended to complete the project.

If an agreement can not be reached between the Town and the consultant, the town may terminate negotiations with the first consultant and commence negotiations with their second choice.

Once the municipality has the proposed subagreement in a final form, it must submit the following items for the DEEP's review:

- Documentation of the public notice requesting the need for engineering services.
- The cost and pricing data submitted by the engineer (man hour estimate by task and 5700 forms.
- A certification of review and acceptance by the municipality of the engineer's cost and pricing data.
- A copy of the proposed contract.

6. Types of Contracts

Your municipality has several options in the type of contract it establishes with the engineering firm. The following section describes the two most widely used contract types and explains under what conditions each contract should be utilized.

a. Fixed Price (Lump Sum) Contract

This contract establishes a fixed price for the engineering services needed on your construction project. This lump sum project cost cannot be increased unless a significant change is made to increase the scope of services. This contract is beneficial because, right

from the beginning of the project, your municipality will know what their engineering costs will be. However, this contract should only be used if your project has a clearly defined scope of services.

b. Cost Reimbursement ("Cost plus Fixed Fee") Contract

This type of contract divides the project into its cost and profit components. It sets a fixed dollar profit on the project which cannot be increased without increasing the scope of services. Note that an increase in the number of hours or cost for tasks already specified in the contract is not considered a change in scope. This type of contract is used a majority of the time by municipalities because you pay for the cost of engineering services as they are performed. This contract specifies a fixed profit the firm can earn. This type of contract is usually used for construction phase services.

APPENDIX

Sample Consultant Evaluation Criteria Form

(Note: sample to be modified by municipality as needed)

1. General Information:

Consultant Name:

Address:

Contact Person:

Date of Interview:

Phone No./Fax No.:

2. Evaluation Criteria:

- a. Names of firm's personnel and sub-contractors (if applicable) to be working on this project. Also how much work to be sub-contracted:
- b. Personnel's and subcontractors (if applicable) qualifications and experience:
- c. Firm's client experience:
- d. Facility planning and system planning experience:
- e. Experience with funding agencies and financial institutions:
- f. Experience in dealing with State regulatory agencies:
- g. Firm's current and future staff workload:
- h. Firm's ability to work within the project's time limitations:
- i. Willingness of the firm to work with and for the community:
- j. Does the firm have any conflicts of interest with this project?
- k. Explanation of the firm's engineering services cost (if applicable):
- l. Project team management plan:
- m. What project quality control measures does the firm use?
- n. Past awards and client recommendations:
- o. Financial stability of the firm:
- p. Firm's references:
- q. Location of firm:

3. Attach additional information based on Item C.3. **“INTERVIEWING CANDIDATE FIRMS”**