

## Vermont Agency of Transportation

### **WORK PLAN – UTILIZING STATE CONTRACTING PROCEDURES (BULLETIN 3.5) AN ALTERNATE CONTRACTING METHOD FOR VARIOUS PREVENTIVE MAINTENANCE, PRESERVATION, AND REPAIR CONTRACTING NEEDS AT STATE-OWNED REST AREAS**

**Special Experimental Project No. 14 (SEP 14)  
Alternative Contracting  
October 2013**

#### **Introduction**

There are 17 state-owned rest areas statewide (see attached map or [http://bgs.vermont.gov/information\\_centers/map](http://bgs.vermont.gov/information_centers/map)). VTrans and the Department of Buildings and General Services (BGS) have a Memorandum of Understanding (MOU) that defines the roles and responsibilities of each entity with respect to the 15 state-owned facilities on the National Highway System. One primary role of BGS is to operate the facilities to ensure that they are clean, safe and in good repair. BGS accomplishes their preventive maintenance, preservation and repair projects using the contracting procedures outlined in the State of Vermont Agency of Administration Bulletin 3.5. Historically, State dedicated funds have been used for these activities.

When contractors are utilized to accomplish the work, they are obtained through the use of the procedures outlined in Bulletin 3.5. This document has monetary thresholds for contracting methods. These thresholds are as follows:

- Contracts \$15,000 or Less** – While a competitive solicitation process is preferable, a supervisor may enter into a contract for \$15,000 or less without a standard competitive solicitation process. At the time of contract execution, the supervisor must place in the official contract file a written explanation for selecting the contractor. Such explanation must include the following:
- a. A description of the qualifications of the contractor that demonstrates that the vendor will provide high quality services or products
  - b. A description of the prices charged by the vendor and an explanation as to why such charges are both cost effective and reasonable

**Contracts Greater Than \$15,000 but Not More than \$100,000 – Standard or Simplified Bid Process**

A supervisor may enter into a contract over \$15,000 but not more than \$100,000 following either a standard bid or a simplified bid process. A “simplified bid process” means that the agency has developed a specific and detailed statement of work for the service or product desired and has solicited written price quotations from vendors providing the specified services or products. The statement of work to be performed and request for price quotations must be provided in a timely manner to at least three potential bidders. If the agency is unsure whether the

contract will fall below the \$100,000 threshold, in order to avoid rebidding the work, the use of a standard bid process is recommended.

### **Contracts Greater Than \$100,000 - Standard Bid Process**

A supervisor may enter into a contract greater than \$100,000 only after adherence to a standard bid process in compliance with the provisions of this Bulletin.

The standard bidding process involves (1) bid documents (Request for Proposal); (2) public notice regarding standard bid; (3) contractor selection and documentation; (4) pre-bid conferences and adjustments to bid documents; and (5) bid opening. The procedures also allow for pre-qualified bidding in cases where a type of work is routinely bid on. BGS has such a list of pre-qualified vendors that may be performing some types of work under this preventative maintenance program.

All contractors that are responsive to meet the requirements of the Request for Proposal (RFP) are awarded contracts through the BGS Office of Purchasing and Contracting in consultation with VTrans PDD. Once a work project is developed, contractor selection is then based on the lowest rates, experience, and availability. In some cases, contractors are requested for lump sum contracts to provide labor, equipment, and materials.

Using traditional highway project delivery methods (required with the use of federal funds) to address small preventative maintenance, preservation and repair projects is restrictive and cumbersome. Many projects considered for the program are relatively low cost and it is impractical to combine them into a large or statewide project due to the great distance between facilities. In addition, greater flexibility in the projects delivery schedule is needed to ensure that the repairs to the facility are done in a timely manner to maintain the high maintenance standards.

### **Purpose**

The purpose of this work plan is to provide a format to evaluate the use of federal-aid funding for preventative maintenance projects that follow the contracting procedures outlined in the State of Vermont Agency of Administration Bulletin 3.5 (copy attached) and comply with the small dollar procurement procedures in 49 CFR 18.36(d)(1). VTrans submits this work plan for review and approval under the provisions of Special Experimental Project No. 14 (SEP 14) for the use of innovative contracting practices.

### **Scope and Schedule**

VTrans is requesting approval to use federal-aid funds - STP and/or IM - to participate in the categories of work for preventive maintenance, preservation, and repair activities under the SEP-14 "Alternative Contracting" program. The types of work activities to be done using contracts which follow the procedures of Bulletin 3.5 are as follows:

- Exterior Wall Systems
- Exterior Doors and Hardware
- Roofing

- Elevators
- Heating System
- Air Handling System
- Cooling System
- Mechanical Controls
- Water Heaters
- Sewage Pump & Controls
- Septic Tanks
- Leach Fields
- Well/Booster Pump
- Water Storage
- Generator
- Lighting & Controls
- Fire/Security Alarms
- Security Camera & Equipment
- Fuel Tank
- Sprinkler System
- Flooring
- Windows
- Walkway & Sidewalk
- Emergency/Safety Issues

The duration of this program will be 3 years from the date of approval.

The VTrans Program Development Division (PDD) will act as the overall administrator of this “Alternative Contracting” program. However, BGS with the assistance of VTrans PDD will be responsible for developing appropriate projects. Additionally, VTrans PDD with the assistance of BGS will be responsible for submitting annual status reports and a final evaluation report to FHWA.

Each project will be administered in general accordance with the guidelines established in the State of Vermont Agency of Administration Bulletin 3.5 Contracting Procedures and VTrans Project Development Process Manual. These documents discuss the various state and federal requirements that typically need to be addressed for VTrans projects, including but not limited to: PS&E development, environmental permitting and NEPA, utility and ROW certifications.

VTrans PDD will keep records for each federal-aid project using Bulletin 3.5 contracting procedures. Project records will include a PS&E (plans, specifications, and estimate), but the PS&E package will generally be of a more limited and simplified nature when compared to the typical competitive bid package. Records will include any appropriate certifications, environmental permits, contract documents, etc. that may be required to accomplish the project (ex. ROW and utility certifications, CE, etc.). Actual project costs will be tracked. Included in cost tracking will be the portion of project costs attributable to contractors and to state administration of the project.

Additional program criteria include:

- FHWA 1273 will be included in all contracts.
- Projects will be included in VTrans Statewide Transportation Improvement Plan (STIP).
- Non collusion Statement (23 CFR 635.112(f))
- For projects with anticipated construction duration of less than one month, jobsite posters, as an alternative, will be posted at the contractors' offices or at the jobsite and workers will be given copies.
- Each contract will have a maximum limiting amount (MLA) ranging from \$5,000.00 to \$250,000.00 (250k is the VTrans limiting amount under bulletin 3.5 all other state agencies use 100k)

## **Measures**

For the duration of the program VTrans/BGS will track and report various items and evaluate the effectiveness of this federal-aid alternative contracting method.

Of primary importance are answers to the following concerns:

- Can following the State's own contracting procedures (Bulletin 3.5) with federal-aid participation help VTrans/BGS meet preventive maintenance, preservation and repair needs in a timely and cost-effective manner?

Some additional specific areas of interest are:

- Staffing requirements for the oversight and administration of the relatively small and low cost contracts.
- The contractor's ability/willingness to prepare a proposal in a timely manner for relatively small projects.
- Has all work performed met the limits of programmatic categorical exclusion?
- Have the procedures listed in the State's Bulletin 3.5 Contracting Procedures been followed?

## **Reporting**

Three reports - initial, interim, and final - will be developed for this alternative contracting program. Reports will be submitted to the local FHWA Division office in electronic form. These reports will be forwarded to FHWA Headquarters (HIPA-30) by the local FHWA Division office.

### Initial Report

Within 2 months of the conclusion of the first year of the program, VTrans PDD with the assistance of BGS will submit an initial status report to FHWA. The report will provide a listing (spreadsheet acceptable) of the projects that have gone forward under this alternative contracting method. As a minimum, information on each project will include the following items: project name, location, scope, cost estimate, expenditures to date (broken down by state and federal portions), and status of project (in progress, substantially complete, on hold, etc).

### Interim Report

Within 2 months of the conclusion of the second year of the program, VTrans PDD with the assistance of BGS will submit an interim status report to FHWA. This report will include the same (but updated) information required for the initial Report. Additionally, the report will discuss any issues arising from this alternative contracting method with respect to work performance and monitoring, quality, completion time, claims, and other contract administration or legal issues.

### Final Report

Within 4 months of the conclusion of the 3-year program timeframe, VTrans PDD with the assistance of BGS will submit a final evaluation report to FHWA. In a fashion similar to the initial and interim reports, the final report will update and summarize all of the projects that have gone forward under this alternative contracting program as well as any issues that have arisen. Additionally, the report will address each of the concerns and areas of interest as outlined in the “Measures” section of this alternative contracting work plan. Included in the report will be suggestions for improvements, pitfalls to avoid and a recommendation as to further use of this alternative contracting method.

### **List of Attachments**

- Map of State-Owned Rest Areas (<http://www.aot.state.vt.us/Maint/mainhome.htm>)
- Memorandum of Understanding Regarding Reconstruction, Renovation and Operation of Vermont Highway Rest Areas
- State of Vermont Agency of Administration Bulletin 3.5 – Contracting Procedures([http://aoa.vermont.gov/sites/aoa/files/pdf/AOA-Bulletin\\_3\\_5.pdf](http://aoa.vermont.gov/sites/aoa/files/pdf/AOA-Bulletin_3_5.pdf))
- State of Vermont Agency of Administration Bulletins (<http://aoa.vermont.gov/bulletins>)
- State of Vermont Buildings and General Services Forms (<http://bgs.vermont.gov/purchasing/forms>)
- List of Eligible Work Activities (<http://highwaysafety.vermont.gov/sites/highwaysafety/files/documents/Preventative-Maintenance-Eligibility-List-10Jun13.pdf>)

- Preventative Maintenance Program Summary State FY 2014 – 2019  
(<http://highwaysafety.vermont.gov/sites/highwaysafety/files/documents/Preventative-Maintenance-Program-Summary-State%20FY2014-2019.pdf>)