

**ACEC/NHDOT
Consultant Quality Initiative (CQI) Committee**

Meeting Minutes – March 16, 2022

Meeting Location: NHDOT Room 114

Day/Time: Wednesday (1:30 pm – 3:00 pm)

In Attendance:

Bill Oldenburg, NHDOT (Chair)
Mike Long, MJ (Co-Chair)
Jim Marshall NHDOT
Chris Mulleavey, Hoyle Tanner
CR Willeke, NHDOT

Darren Blood, GM2 (scribe)
Marty Kennedy, VHB
Loretta Girard Doughty, NHDOT
Tobey Reynolds, NHDOT
Kevin Nyhan, NHDOT

Unable to Attend

Ted Kitsis, NHDOT
Rob Faulkner CHA
JoAnn Fryer, F&O
Alex Koutroubas, ACEC

- 1) Review and approve meeting minutes from February 16, 2022. Approved as edited.
- 2) Rate Cap Update:
 - Salary cap has been eliminated (*see attached letter*).
 - Department analysis of the proposed modified profit yielded a decision to keep the default profit at 10% as a base. Negotiating the profit is still allowable based on duration, complexity, and size of the project.
 - The Consultant Committee will discuss the profit at the negotiation stage of the consultant procurement process.
 - The Department will be developing a database to inform costs based on different types and sizes of projects.
 - The consultant will be asked to provide additional quantitative data with their fee proposals. Items required moving forward include average hourly direct rate, percentage of hours by classification, and average loaded rate will be outlined in the fee request memo and a format for the data will also be provided. This will eliminate transposing of data and calculation errors when using the data.
 - Bill O. will be sending a notice of the cap elimination in an email notice blast to all consultants. New projects won't have rate caps.
 - Contract amendments will be uncapped moving forward as well.
 - The Consultant Manual has been updated for this change and is currently being reviewed.

- The Consultant Manual will be stored (one version) on Sharepoint within the Department. A copy of the current document will be uploaded to the Department website once it is approved.
 - Bill will post a memo to the Department website to notice that there is no longer a rate cap and the application with regard to amendments, new contracts, etc.
- Finalize Committee Charter
 - Jim will provide the finalized CQI Committee Charter, attached.
- April Tech Transfer is a go in-person and on schedule. Stephanie Pollack is going to present in person.
 - There will not be a presentation on the Charlestown NH Route 12 project.
- Improvements to process and project delivery:
 - Process efficiencies
 - How to message consultants and Department staff?
 - Goal and why we are doing it.
 - Due to limited resources, both consultants and Department, efficiently developing and review of projects is critical.
 - Change in mindset.
 - Consultants responsible for design and delivery of projects.
 - Department review, not check or re-design.
 - Limit/eliminate personal preference comments, especially those that affect scope and budget.
 - Marty will draft some guidelines for discussion.
 - If there is buy-in on the schedule, the schedule should drive the duration and level of the review.
 - Responsibility boundaries.
 - Design is an iterative process, so should the review process. Focused reviews on the items developed for the submission.
 - More OTS helpful?
- Next meeting will be in person in room 114 on May 18, 2022.

STATE OF NEW HAMPSHIRE
INTER-DEPARTMENT COMMUNICATION

FROM: William J. Oldenburg, PE
Consultant Selection Committee Chair

DATE: 3/22/2022

SUBJECT: **Salary Cap Elimination**

AT: Dept. of Transportation
Executive Office

TO: All Project Managers and Contract
Managers

Effective immediately all new consultant agreements will have no salary benchmark (cap) requirements.

In 2016 the Department set the salary benchmark (cap) a consultant firm could charge at \$60/hour. Any salary over that amount required a formal salary cap waiver. In October 2021 ACEC-NH firms requested an adjustment in the \$60/hour salary cap. Over the last several months Department staff on the Consultant Selection Committee have been working to analyze different payment scenarios that are affected by the salary cap, as well as the overhead and profit consultants charge. This was reviewed so the Department could limit costs, assign risk appropriately, and review how project hour distribution has changed over the last several decades. The Committee reviewed numerous projects, both standalone and task orders, to understand how the salary cap affected these projects.

With the approval of Director Stamnas, the Commissioners decided to eliminate the salary cap, based upon our review and recommendation.

Existing Contracts:

- **Standalone Contracts:** Any consultant fee that has been approved by the Assistant Commissioner will not be changed to remove the salary cap. The contract language, that includes the salary cap information will not be amended. Any salary cap waivers that have been approved will be honored. Any existing contract with an approved fee using the \$60/hr. cap will not be re-calculated or amended for the sole purpose of adjusting the contract to remove the salary cap.
- **Statewide On-Call Contracts:** Any contract that has an approved Technical Review will not be changed to remove the salary cap. The contract language, that includes the salary cap information will not be amended. Any salary cap waivers that have been approved will be honored. If a new task order assignment requires specialty or niche work the consultant may request a salary cap waiver for that assignment. The “old rules” apply, the PM or Contract Manager must formally recommend/deny the salary rate request and the salary cap waiver memo must be approved by the Assistant Commissioner.

New Contracts or New Parts of a Multi-Part Contract:

The elimination of the salary cap shall be applied to any new contract where the fee hasn't been approved yet by the Assistant Commissioner. This would relate to removing the cap for any new contracts, any contract fee amendment even if the original fee had the \$60/hr. cap included (new rate only applies to the amendment), or any future contract of a multi-phased contract (currently in a Preliminary Design contract (old cap) but when negotiating the Final Design, we would remove the cap). Depending on how far the contract has been developed, please remember that a change to the consultants' salaries will require a revised Technical Review.

Profit (Fixed Fee):

The base rate of 10% profit should be used as a negotiating starting point on all our cost-plus fixed fee contracts. The Contract Manager/Project Manager can negotiate the profit based upon the risk, complexity of the work, required timeframes, etc. For all standalone contracts the Consultant Selection Committee will discuss the appropriate profit rate with the Project Manager/Contract Manager during fee negotiations and recommend the profit rate at that time. As is customary any request to adjust the profit rate from 10% shall be vetted through the Front Office for Assistant Commissioner approval as part of the Fee Approval submission process.

ACEC/NHDOT Consultant Quality Control Initiative March 2022

Mission:

To Promote Quality, Consistency, & Communicate Issues of Common Concern between the NHDOT and the Consulting Community, with a focus on the **Development of Projects Uniformly, Projects Delivered Effectively and Contract Delivery Methods.**

Committee Responsibilities:

1. To solicit the ACEC-NH community, and NHDOT staff, for items/issues of concern. (Items to be added to the agenda.)
2. To Resolve issues and effectively disseminate the information to the ACEC-NH community.
3. To provide meeting minutes on web page
4. Committee members are expected to attend meetings and to come prepared to those meetings. Members will have assignments that require independent or collaborative work between meetings.
5. Foster mutually beneficial training opportunities to promote networking and collaboration.

MEETINGS

- The CQI Committee will meet monthly or at the discretion of the Chairperson and Vice Chairperson. Minutes will be posted on the sub-committee's web page.
- A scribe will be chosen at the beginning of each meeting
 - Alternating meetings between Consulting firm and NHDOT

CHAIR & VICE CHAIR

- The Committee Chairperson will be the Assistant Director of Project Development.
- The Committee Vice Chairperson will be ACEC-NH Executive Director
- The Chairperson will be responsible for setting agenda items and facilitating the meeting.
- The Vice Chairperson shall assume the responsibilities of the chairperson should the chairperson not be in attendance at one of the meetings.

STANDING MEMBERS

This committee will consist of 12 regular members.

- 7 members will be NHDOT employees.
- 7 members will be ACEC-NH members to be appointed by ACEC-NH Board of Directors
- Should a committee member change positions or firms, a replacement committee member, if needed, shall be designated by the Chair and Executive Director of NH-ACEC

NHDOT

- Assistant Director of Project Development (Chair)
- Administrator of Bridge Design
- Administrator of Construction
- Administrator of Environment
- Administrator of Highway Design
- Chief Project Manger
- Municipal Highways Engineer