

## 500.01 Introduction

This chapter covers the administrative procedures for all consultant contracts, both Professional Services and A&E services, from the point the consultant is given a notice to proceed on a project-specific contract or task order to the final close-out of the contract or task order. It also provides the basics of contract administration for existing on-call agreements.

Appropriate acronyms and definitions are in Chapters [130](#) and [140](#), respectively. The definitions which distinguish between “contract management” and “contract administration” are found in [Chapter 140](#).

## 500.02 Responsibilities for Administering WSDOT Contracts

Overall contract administration for all contracts is the responsibility of the HQ Consultant Services Office (CSO). This includes the administrative responsibilities leading up to the award of a contract, through the progress of the contract, to the conclusion, acceptance of the work, evaluation of the consultant, and contract closeout. The CSO is supported by the ACLs, who report to the CSO for contractual matters. The CSO is responsible for establishing a regular process of training for ACLs and area project personnel.

The ACLs will work with the functional area project personnel to ensure the necessary steps are taken in any contractual matters related to initiating, negotiating, administering, and closing out contracts, including task orders, for consultant services. ACLs will also work with the project personnel responsible for the day-to-day contract administration in the field. The appropriate ACL is to be contacted prior to and be involved in any changes or change management functions that could materially affect the contract.

ACLs interface between the CSO and project delivery teams. It is the responsibility of the ACL to see that the requirements and necessary steps for consultant contract administration take place. They are responsible for providing guidance and training to project personnel, or arranging for direct CSO involvement in the guidance and training of personnel responsible for daily administration of consultant contracts. They are also responsible for providing consultative support to project engineers, managers, and area management teams.

It is expected that, under most circumstances, the manager of a consultant project for WSDOT will be a WSDOT employee who has the responsibility and qualifications to ensure the work delivered under the contract is complete, accurate and consistent with the terms, conditions and specifications of the contract. One or more WSDOT staff can be involved in the management of a contract, including negotiations, payment, and evaluation of the services provided.

Project personnel are assigned administrative responsibilities such as documenting and verifying monthly invoices, helping to assemble necessary documents, arranging meetings, and closing out contracts.

### 500.03 Administrative Procedures

After the contract has a full statement of work and has been negotiated and awarded, the process of contract administration is largely a function of the project office. This is true for all contract types, including task orders. If a consultant has been selected to provide some of the project office management services, oversight will be provided by the state at a higher level to ensure fulfillment of the state's responsible charge.

A project kick-off meeting would cover such administrative issues such as review of monthly invoices; maintenance of source documents; notifications of change; delivery of the project schedule; and any other administrative matters. If the project includes more than one consultant team, a meeting at the beginning of the project which includes the project office, the assigned state manager with oversight responsibilities, the ACL, and all the consultants is recommended for project coordination.

Often, the WSDOT project office, the engineer or project business manager is responsible for establishing procedures for invoices and monthly progress report reviews. The ACL, who must be aware of all contract administration issues as the liaison between the project office and the CSO and CSO manager, needs to participate in these procedures. It is the responsibility of the project manager to see that the ACL is kept informed and engaged in the progress of the contract.

Change management is a major administrative issue, and a change management plan needs to be developed and reviewed during the initial meetings. Any changes to a contract (supplements or amendments) cannot be authorized until the supplement or amendment is approved.

**Note:** [Chapter 250](#) covers Professional Services supplements to contracts, and [Chapter 430](#) covers A&E supplements to contracts. The ACL for the project must be informed of any changes the project office requires to ensure the proper procedures are followed for supplementing, amending, closing or otherwise changing the contract with the consultant(s).

### 500.04 Contract Closeout Process

When the work covered by a project-specific Professional Services or architectural and engineering (A&E) consultant contract, including task orders, is complete, the contract must be closed. Task orders usually need a closure amendment, while the master agreement remains open. However, single project contracts will require some additional steps to close the contract satisfactorily.

After the work is completed on a consultant contract, the following steps will properly close out the contract:

1. The consultant notifies the project office and ACL in writing that all elements of the statement of work (SOW) have been completed and all deliverables have been provided. The consultant needs to submit an invoice labeled "Final" with a letter stating that it is the final invoice. The letter should also state that there are no other charges pending, that the amount invoiced represents the remaining total amount due, and that there are no other claims forthcoming under the contract work. At this time, if the consultant believes that additional work was completed on the project which was requested by the WSDOT without a supplement or amendment to the contract, and/or additional payment is due, the consultant should notify the project office and the ACL that outstanding issues remain.

2. If the WSDOT project office and ACL agree that all work has been accomplished to the state's satisfaction, the project manager or ACL will acknowledge the consultant's letter and final invoice; request all files, data, or other materials supplied to the consultant; and notify the consultant that the work has been done satisfactorily and is accepted by the state. In the letter, the project manager or ACL will remind the consultant that this acceptance does not release the consultant from potential obligations to correct, make whole, or complete any unknown omissions or design errors. The project manager or ACL should also provide the consultant with a copy of the consultant evaluation (see [Section 500.05](#) below) when finished by the ACL.
3. If the WSDOT project office does not agree with the consultant's request regarding the outstanding issues and/or additional payment for work completed, the WSDOT will notify the ACL immediately, and offer the consultant the opportunity to submit a claim per [Appendix G](#) procedures. Depending on the nature of the claim, the process may end at the project office level, or eventually reach a higher level of negotiation to resolve the issue. The ACL will notify the CSO and help to manage the claims process.
4. The project manager will be requested to assist the area consultant liaison (ACL) with completing the evaluation process, which is outlined in [Appendix F](#). If there are problems with the process, the ACL and the consultant should be notified.
5. Upon payment of the final invoice, the HQ Consultant Services Office will notify the WSDOT Internal Audit Office of the completion of the contract and will formalize a request to audit the contract. Boilerplate contracts specify that the consultant is required to maintain source documents for all costs billed to the state for a period of six (6) years from the completion of the contract and receipt of final payment. If a final audit is in progress, these source documents must be maintained until the final audit is completed and all responses made and accepted.

Procedures for closeout and records retention required for contracts with federal-aid participation are found in [49 CFR 18.36](#) and are outlined in [Section 500.06](#) below. For all contracts, the following should be added to the list:

- All liability actions resolved.
- Performance evaluation(s) prepared, approved, and distributed.
- Return of all government-furnished materials by the contractor.
- Assurance that, per the contract section titled "Protection of Confidential Information", all confidential information has either been returned to the WSDOT or destroyed or has taken steps required by WSDOT to protect such confidential information beyond the life of the project.
- Release of claims executed by the contractor.

## 500.05 Consultant Performance Evaluation Reports

### 500.05.01 Introduction

The preparation of the Consultant Performance Evaluation Report is an important part of the contract feedback process. It is also the primary means for developing communication standards and establishing expectations for performance at the onset of a project. Performance expectations must be addressed from project beginning to contract close-out. Performance needs to be made a part of the consultant selection process, the development of the statements of work, and the negotiations, through to the end of the consultant's involvement in the project.

The completion of the performance reports by WSDOT is required by both federal and state statute and is mandatory for all consultant contracts in excess of \$30,000. This is also required for TODs which exceed \$30,000.

It is appropriate to provide a consultant with a performance report if either the consultant or the project office requests it, regardless of the value of the contract or task order. It is recommended that, if the project consists of work that is not standard to WSDOT, no matter the value, a performance report be provided for the consultant.

*Note:* The Consultant Performance Evaluation Report does not compare one consultant with another. It evaluates the performance of a specific consultant on a specific project's statement of work. The report records whether the consultant did or did not meet those performance standards that were established in the contract and are generally accepted by the industry for the execution and management of the contract.

### 500.05.02 Preparation

Diligence and objectivity in preparing the performance report is imperative to ensure the report is an effective tool for measuring, recording, and communicating performance. The performance feedback should be submitted according to the intervals established herein, to meet legal and contractual obligations.

Full details regarding the Consultant Performance Evaluation Report are available in [Appendix F](#), Consultant Performance Evaluation Procedures.

## 500.06 Recordkeeping and Records Retention

### 500.06.01 Introduction

Records related to the progress of WSDOT contracts are an important part of the contracting process. Audits can be initiated up to three years after close of the contract, and require that records be kept until the audit process is complete, no matter how long that takes. They seldom occur during the progress of the contract when records are current and memories are fresh. There are several timetables related to records retention covered by federal requirements ([49 CFR 18.40–18.44](#)), state law, the *State Administrative and Accounting Manual*, and the *Purchasing Manual* M 72-80.

Many of the responsibilities for records have already been covered in the manual sections related to their development. Records which must be maintained include, but are not limited to, request memos; planning documentation related to consultant use; solicitations; ratings and selections; negotiations notes; and awards notifications. How

these records are handled and maintained after they are generated is governed by one or more of the legal and policy and procedures manuals listed above.

Recordkeeping usually moves to the project offices after the notice to proceed, but the ACLs and the CSO also have records involvement throughout the life of the contract.

## **500.06.02 Records Management and Public Disclosure**

### **500.06.02.01 Records Management**

The CSO follows the provisions of [Chapter 40.14 RCW](#) in managing and archiving the essential records related to acquisitions and contract administration. The CSO is the custodian of the official contract files for Y agreements for Professional Services and architectural and engineering (A&E) consultant services. It is the CSO's obligation to maintain the active records on-site in an accessible manner; maintain complete and well-organized contract files; protect original documents; and ensure records retention schedules are followed.

General records retention schedules are established by the Office of the Secretary of State, Division of Archives and Records Management. The "General Schedule" pertains to records that are consistently developed in the course of doing state business, and they refer to the primary record regardless of the storage media. The CSO adheres to the State required retainage schedules for contract-related records. The schedule is as follows:

- **Contracts for services:** Retained for six (6) years after termination and close-out.
- **Solicitation records:** Retained for six (6) years after closure or cancellation.
- **Documentation of unsuccessful proposers/bidders:** Retained for three (3) years after award or cancellation.

Records are stored at the Washington State Records Archive for the duration of the retainage period.

In order to increase the accessibility of its records, the CSO has instituted a document imaging process to provide electronic access to active contract documents.

### **500.06.02.02 Public Disclosure**

Public disclosure is the process by which the general public requests and obtains public records from state agencies. In Washington State, public disclosure is governed by the provisions of [Chapter 42.56 RCW](#), which requires all state agencies to respond to requests for public records in a timely and acceptable manner. The term "public record" applies to any record, in any media, including electronic records. Further direction regarding WSDOT's policy on public disclosure is on the website at [www.wsdot.wa.gov/Contact/PublicDisclosure](http://www.wsdot.wa.gov/Contact/PublicDisclosure).

The WSDOT has notified consultants on its website that all submittal material received by the CSO for a selection process will be posted to the CSO website following the conclusion of the Post-Debrief Protest time period. Prior to posting, WSDOT will redact the submittal information pursuant to [42.56.270\(2\) RCW](#) (Financial, commercial and proprietary information) and will also redact the proposer's FID number. If a consultant desires to claim portions of the proposal as proprietary and exempt from public disclosure, each page claimed to be exempt must be clearly identified as

“proprietary information.” If a public records request is made for that information, the consultant will be notified of the request, and given the opportunity to seek to obtain a court order enjoining disclosure or cite other state or federal law that provides for nondisclosure.

Public disclosure of materials related to contracts, project progress and management also need to go through the mandated public disclosure process, and the consultant will be notified of the request if the request includes proprietary information. The WSDOT will redact material that is considered exempt under the law, and will notify the consultant should material that is marked “proprietary” or “confidential” by either the consultant or their subconsultant is requested.

## **500.07 Miscellaneous Administrative Procedures**

### **500.07.01 Contract Claims Procedure**

Contract claims most often occur when the consultant and WSDOT project personnel disagree on payments due to the consultant. Most claims are made at the end of the project, often when the contract maximum payment amount is reached or time has run out. [Appendix G](#), Consultant Contract Claims and Claims Procedures, gives full details of the processes and the steps to take with a claim.

### **500.07.02 Consultant Design Errors and/or Omissions**

Potential errors or omissions in the design may be identified either during or following the construction of a project which has been designed utilizing consultant services. Regardless of the cause, design errors or omissions can be costly in many ways. [Appendix O](#), Consultant Design Errors and Omissions Procedures, explains how to determine whether a consultant error or omission has occurred and establishes uniform procedures for resolution and cost recovery.