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Engineering Agreement Process Checklist for BLRS Central Office Employees

Before reviewing an Engineering Agreement, please consider the following:

- Receive the Engineering Agreement and login the date the EA was received by CO in the Central Office Section of MFT
- In the Audit Approval section, enter the Upper Limit submitted and then also enter the breakdown of the Upper Limit submitted into Prime Consultant and Sub Consultants as needed.
- Is the Job Number correct for the project? A **P** number indicates Pre- Engineering. A **D** numbers indicates the first phase of Pre-Engineering has been completed and the project is currently in the second phase which is Design. A **C** number indicates Construction.
- If the job is a D number, has Phase I been submitted as evidenced by the PDR (Project Development Report) approval date?
- Item #3 on page 2 of BLRS form 5610 should be filled out indicating the method they will be using to calculate profit (if it's a P job or D job) OR Item #4 on page 3 of BLRS form 5611 (if it's a C job)
- Page 5 of BLRS form 5610 {OR Page 6 of BLRS form 5611} should be filled out properly including the TIN number and signed.
- The date on the front of the EA should be filled out and match the date the agreement was locally executed.
- Get Overhead Rate for each of the consultants involved from the EPAS system.
- Get Payroll Rates for each of the consultants involved from the D&E Annual Payroll website.
- For each Cost Estimate, take into account the Fixed Fee Method of calculation they are using.
- Also take into account if there is a Complexity Factor.
- D** Is the consultant using weighted averages to come to an overall average cost per hour for certain parts of the project?
- Obviously, the numbers on the Cost Estimate must add up both horizontally and vertically.
- For each Element of Work, there should be given on the Cost Estimate the Employee
- Classification (who is doing the work?), the number of hours for that Element of Work, the Payroll Rate (how much is this person getting paid / **Not to exceed \$70 for local roads**), if there are any Services by Others (with a breakdown of where that number comes from elsewhere in the paperwork), if there are any In- House Direct Costs (again, with a breakdown of that cost where necessary).
- Back-up should be provided for any In-House Direct Costs, Service by Others and Outside Direct Costs shown on the Cost Estimate.
- D** Items you can earn a profit on: The use of CADD software, In-house printing, mileage when using company vehicle (not rental vehicles nor employee's own personal vehicle)
- D** Items you CANNOT earn a profit on: lab tests, rentals and overtime premium portion
- D** Cost Estimate must agree with the agreement summary total

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- D Make sure that Employee Classification (and respective Payroll Rate) matches rates on D&E Payroll System
- D If D&E forms were used, the Average Hourly Rate Schedule must be added
- D **Make** sure the original engineering agreement and supplements are added in MFT BEFORE they are submitted to Central Office for review.
- If an engineering firm is brand new, notify us and we will add the consultant, so you can add the engineering agreement screen. When the EA screen is added, you will need to add both prime and subs along with the dollar amounts to the agreement.
- E-mail us to ask if current Payroll rates are needed for primes and sub-consultants.
- D The dollars from both the Prime Consultant and Sub-Consultants on the Agreement Summary Page should match what is provided on attached Cost Estimates.
- Make sure the Section Number, Project Number and Job Number are filled in.
- D **Make** sure that there are ***Cost Estimates for Prime and Sub-consultants attached to the agreement.***
- If the sub-consultant is a lab testing firm, we will need a schedule of fees and a listing of what tests are to be performed and at what cost.
- If the District gets Payroll Rates for us, make sure the rates are a complete listing of all employees in the firm, names and rates that match the classifications shown on the Cost Estimate. Auditors will not accept names of specific people working on the job.
- If a consultant gets a lot of work with Local Roads, they can send rates directly to audits once a year.
- If there are Direct Costs shown on the Cost Estimate, there should be a detailed listing to show what these costs are.
- The same information is needed for the sub-consultants as is needed for the Prime as far as ***Payroll Rates, Direct Costs and any Service by Other costs.***
- If dollars are shown in the Service by Others column, there should be an estimate to support these costs.
- The Profit Formula used for the Prime does not have to be used by the sub-consultants.
- D If the Joint Agreement comes in for PE, we will also need the engineering agreement to be processed before the job can be authorized.
- D All consultants should have their own Overhead Rate. The sub-consultants should not be using the Prime's rate.
- D If a sub-consultant is brand new, the auditors will allow a 120% provisional rate to be used for the first year. They will then need a rate calculated for future contracts.
- D Direct Labor Multiplier cannot be used on a job that has Federal Funds.
- D **Make** sure the joint agreement has enough dollars to cover the engineering agreement.

Lump Sum engineering agreements are limited to less than \$20,000. They should have a full cost estimate filled in just as if it were a Cost-Plus Fixed Fee job, selecting a profit formula.

If an amendment is needed, fill BLR 05610 or BLR 05611, writing in Supplement #XX in the middle section of page 1. Dollars on the agreement summary and on the attached cost estimate should only **be for the supplement and NOT A RUNNING TOTAL.**

Engineering agreements should be reviewed to make sure all required information is included before sending to the Central Office.

- After the EA Review is complete, the Audit Findings Memo has been done, and the EA Approval Letter has been done, scan the entire EA File Copy into the computer and save to the S drive for future reference. This is very handy when consultants or one of the districts calls with questions as to your findings from the review.
- EA Approval Letter should be sent out at the same time as the JA Approval Letter. EA Approval Letter should NEVER be sent out before the JA Approval letter because the funding that goes to cover the EA comes from the JA.