

# Contract Administration

## **Mission**

Cradle to grave (life-cycle) management of all VTrans contracts

- Help users define requirements
- Identify appropriate contracting resources and methods
- Solicit bids and proposals
- Evaluate proposals and award contracts
- Ensure compliance with all State and Federal requirements
- Manage contracts post-execution
- Execute Grants and other agreements

<https://vtrans.vermont.gov/contract-admin>

# Contract Administration

## Construction Contracts -CY 2018

Large Projects: Total dollars \$224,658,342

### **Design-Bid-Build**- - Traditional procurement method:

- VTrans designs the project
- Contractors bid on the construction
- low bid wins
- 39 contracts awarded

### **CMGC**- Alternative contracting method:

- Contractor participates with VTrans in the design phase, then bids on construction
- Best value wins
- 2 contracts awarded

### **Design-Build**- alternative contracting method:

- Contractor design/construction team designs and constructs the project
- Best value wins
- 0 projects awarded

# Contract Administration

## Medium-sized construction/maintenance and repair

### **Indefinite Delivery/Indefinite Quantity (IDIQ)**

- New contracting method for highway maintenance and repair services approved by FHWA 2017 and implemented in 2018
- Retainer-type contracts to replace Category II MRAs
- 59 primary contracts and amendments executed during the 2018 construction season.
- 50 Task orders issued for **\$12,543.697.44**

# Contract Administration

## **IDIQ continued...**

- Positive results of first year using IDIQ:
  - Increased competition – more bidders than under DBB and CAT II
  - Observable lowering of prices due to publicly posting all task order bids
  - Used successfully to rapidly meet emergency needs
  - Increased use of federal funding for preventive maintenance

# Contract Administration

## Small maintenance and repair tasks

### Category I Maintenance and Rental Agreements (CAT I MRAs)

- 88 contracts executed for \$6,633,915.00\*
- Limited to \$50,000 and 1 year
- All sole source permitted by blanket waiver from AOA
- Very simple contracting methods utilized for the rapid accomplishment of numerous small maintenance and repair tasks

\* Includes 1 CAT III and 1 CAT II MRA MLA.

\* CAT 1 MRAs represent readiness arrangements and MLAs are **not** reflective of the actual expenditure.

# Contract Administration

## New Initiatives

### ➤ Job Order Contracts (JOC)

- New competitive contracting method being developed to replace the CAT I MRAs
- Retainer-type contracts, against which Job Orders will be placed
- Simplified order process designed to permit the continued participation of smaller contractors and rapid response to agency needs
- JOC contracts planned to be in place April 2019

### ➤ Emergency Contracting Protocol: Guidance and templates to assist customers to rapidly meet emergency needs in compliance with State and Federal requirements

# Contract Administration

## Services Contracts and Amendments CY 18

- 173 executed
- \$176,890,776.88 (total MLA)

### Major Service Categories

- Design and Engineering
- Archeological
- Historical Preservation
- Planning
- Project Information/outreach
- Vegetation management
- Consultant Construction Management
- Environmental
- Facilities Maintenance
- Steel Fabrication and Inspection
- Directional Drilling
- Surveying
- Aviation Fixed Base Operator
- On-Call Rail
- Operations Stormwater
- Asset Management
- Appraisal
- Training services

# Contract Administration

## **Services Contracts**

### **New Initiatives**

- Second-tier selection process developed with guidance and training to improve competitiveness of work assignments under retainer contracts
- Improved compliance with current FHWA regulations and requirements
- Work assignment process for retainer contracts centralized in CA, standardized, and automated, creating greater consistency and allowing better, easier management of contracts by Contract Managers
- Automatic alerts for contract managers prior to contract expiration
- Coming soon: Evaluation management



# Contract Administration

## **Grants and Amendments**

- 780 executed
- \$126,009,578

## **Other Agreements (Utility, MOU/MOA, Railroad, Finance & Maintenance)**

- 168 executed
- \$56,263,567

## **New Initiatives**

- *Guide to MOU/MOAs for VTrans*
- Master Grants Pivot Project

Contract Administration

Questions?

# Internal Audit

## Mission

- Conduct fiscal oversight of:
  - Agency operations to ensure regulatory compliance and reduce risk to State and Federal funds entrusted to the agency
  - Consulting firms who perform A/E services to monitor costs and overhead as required by the Federal Highway Administration (FHWA)

# Internal Audit

## Functions

- Liaison for external audits (ex: statewide single audit, federal audits, State Auditor). Involves identifying AOT subject matter experts, locating and coordinating information, providing and interpreting samples, and writing corrective actions when needed.
- Internal performance audits (ex: employee purchasing card use, commuter mileage reporting). As directed by Exec staff or as identified as risk area by Audit Chief. Specific internal functions, primarily financial, are evaluated for compliance with AOT procedures and fed/state regs.

# Internal Audit

## Functions

- A/E consultant financial qualification. FHWA requires state departments of transportation to conduct a risk-based assessment of financial integrity and accounting rigor for consultants, in order to qualify to do business with us. Result may limit the size of contracts awarded to a specific consultant, or (rarely) a recommendation not to award.
- Grant subrecipient monitoring. Towns, organizations, universities, sheriffs depts, etc. (i.e. subrecipients) receive funding from AOT in the form of grants. Federal law requires that state agencies verify the grants management of any subrecipient receiving federal funds as a pass-through from the state. Monitoring involves site visits and/or desk reviews to validate that accounting and documentation meets regulations and has been used to benefit approved activity

# Internal Audit

## Functions

- A/E consultant invoice audits. By reviewing random invoices within three months after payment, the Audit Section verifies *labor rates, reimbursed expenses, profit, and overhead* paid to consultants. Consultants are asked to provide raw payroll data to support the invoice and Audit staff reviews and verifies all variables and calculations. Any discrepancies are resolved with the consulting firm and brought to the attention of relevant AOT staff.
- A/E consultant contract close-outs. Final invoices are reviewed at closure, for all consultant contracts, and any anomalies or red flags are researched.

# Internal Audit

## Functions

- Review and acceptance of A/E Firms indirect rates for all award subrecipients and all professional consultants, no matter what type of entity (commercial, non-profit, government, or higher education).
- Review of new contracts, amendments, and some work authorizations for A/E consultant contracts. Audit reviews for consistency, for appropriate handling of overhead costs in cost proposals, etc.

# Internal Audit

## Records Management

Public Records Officer, reprographics services (serves as the agency print shop), document storage, retention and destruction oversight.



Internal Audit

Questions?

# Budget and Financial Operations

## Organizational Units

- Budget Office
- Federal Programs
- Accounting
- Accounts Receivable
- Accounts Payable
- Business Support Services
- Internal Services

# Budget and Financial Operations

## **Budget Office**

- Overall Agency Budget Preparation, Implementation and Monitoring
- Monitors and Analyze Legislation
- Monitors all AOT revenues
- Reconciles Agency Cash Accounts

# Budget and Financial Operations

## Federal Programs

- Obligated \$236 million of FHWA funds in FY18
- Requests projects to be authorized through FHWA
- Monitors FHWA project obligations
- Assists in the development of the Transportation Program
- Works as a Liaison with FHWA on Funding Issues

# Budget and Financial Operations

## Accounting

- Completes transfer of fund requests
- Calculates the annual “load factor”
- Prepares “Final Voucher” reconciliation for all projects
- Prepares various annual reports - ex. CAFR (comprehensive annual financial reports)
- Responsible for Agency fund reconciliations

# Budget and Financial Operations

## Accounts Receivable

- Collected over \$316 million in revenue in FY18
- Monitors FHWA project modifications and overruns
- Responsible for billing items such as guardrail damage, sign damage, etc.
- Prepares all federal billings
- Prepares all third party and miscellaneous billings (ex. towns, lease agreements, signs)

# Budget and Financial Operations

## Accounts Payable

- Processed over 100K invoices totaling over \$498 million in FY18
- Processes quarterly payments for Town Highway Aid Quarterly distributions
- Oversees the payroll and expense reimbursement process for the Agency
- Administers the State purchasing card program
- Ensures that all payment records are retained in our document warehouse (electronic)

# Budget and Financial Operations

## Business Support Services

- Assists Divisions with the budgeting process
  - Includes entry of budgets into Vantage – the system shown in the black budget books
  - Tracks budgets monthly and distributes to management
- Provides support to the district staff
- Reviews all project setups for accuracy
- Creates request for all transfer of funds and submits to accounting to process
- Prepares and retains annual required forms (ex. financial system access forms, annual signature authority forms)



# Budget and Financial Operations

## Internal Services

- Acts as a liaison with the various Vtrans buildings, the landlords, and BGS
- Processes requests for access cards and parking permits
- Coordinates all moves (agency moves, ergonomic changes)
- Sorts and arranges delivery of mail/shipping returns
- Acts as the National Life Safety/Fire Warden and training coordinator

# Budget and Financial Operations

**QUESTIONS?**