

# CONSULTANT HOURLY RATE REVIEW

## CITY OF AUSTIN CAPITAL CONTRACTING OFFICE

Any pricing information (bids, monetary cost information and/or rate information) is NOT requested, nor considered during the City's Qualification-Based Selection (QBS) and City Council Award processes.

Texas state law requires the City negotiate a fair and reasonable price with the selected firm. *[Ref. Government Code Chapter 2254]*

Once the Consultant is awarded a contract by City of Austin City Council on the basis of demonstrated competence and qualifications to perform professional services, *the Capital Contracting Office (CCO) will request the following information from the consultant and all subconsultants needed to begin the hourly rate review process.*

---

### **City of Austin Standard Titles/Minimum Qualifications:**

The consultant will select City of Austin provided Standard Titles for all staff that will potentially work on City contracts. In order to add new Standard Titles, the consultant has to make a formal request for addition of the titles providing the job descriptions and years of experience required for each title. The Consultant can add a discipline (such as **Electrical, Civil, Mechanical, etc.**) to be considered in the evaluation of the raw rate for each title. Project Managers will be evaluated based on the Standard Title, with consideration for additional responsibilities in the project manager role.

### **Key Personnel and Uniquely-Qualified Individuals:**

Those individuals named by the consultant in the Statement of Qualifications (SOQ) will be named in each contract (*i.e. Project Principal, Project Manager and /or Project Engineer*). Those individuals uniquely-qualified (*i.e. nationally recognized expert*) for the project, will also be named in the contract as Key Personnel. Uniquely-qualified individuals must be approved by the City's Project Manager to work on a project (only that individual would be allowed to bill at that title and hourly rate). The subconsultant's Principal is considered a Key Personnel and will also be named in the contract.

### **Raw Rate:**

Consultant will propose an hourly rate for each Key Personnel and Standard Title. Individual employees must meet the minimum qualifications to bill at that title.

### **Overhead Rate:**

CCO requires a signed Statement of Overhead Rate and documentation to support the consultant's overhead. There are two ways that the consultant can meet this requirement. The CCO's preferred method is that the Consultant provide an audited overhead in compliance with *Federal Acquisition Regulations (FAR) Part 31 - Contract Cost Principles and Procedures* within the prior year. The Consultant may also provide a Texas Department of Transportation (TX DOT) approved Schedule of Indirect Costs letter within the prior year. If the consultant does not meet the CCO methods listed above, the consultant must provide a signed Statement of Overhead Rate and supporting documentation to justify their overhead or agree to an overhead rate of 90% and provide an explanation for not providing financial documentation supporting their overhead rate.

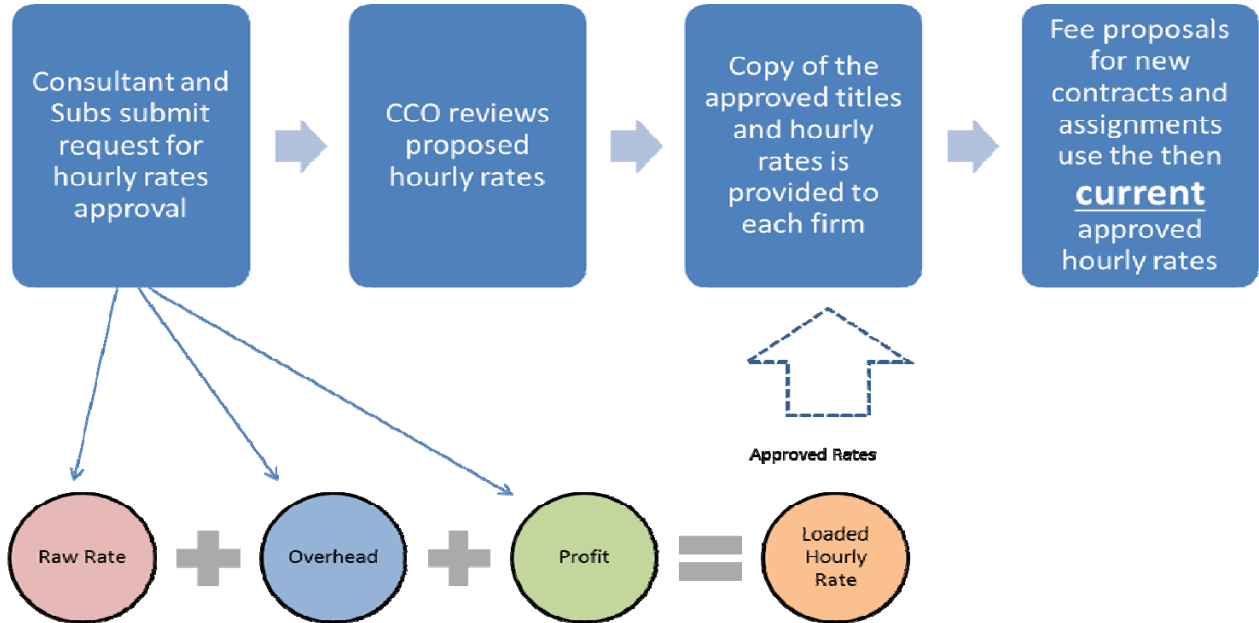
# CONSULTANT HOURLY RATE REVIEW

CITY OF AUSTIN  
CAPITAL  
CONTRACTING  
OFFICE

## Profit:

The consultant will propose profit based on degree of cost responsibility. The consultant will propose Category 1 and Category 2 profits (each discussed below) for each Standard Title and Key Personnel. **All projects or assignments will use the Category 1 rate unless projects or assignments meet the Category 2 criteria.**

- ❑ The difference between the two categories is the profit associated with the degree of cost responsibility that the Consultant will assume as a result of the negotiated contract.
- ❑ The complexity of a contract as it applies to risk of cost has to be justified by the Consultant.
- ❑ A Lump Sum proposal limiting the risk of cost to the Consultant through assumptions, no matter the duration, is considered Category 1.
- ❑ A Lump Sum proposal for over 2 years in which the Consultant guarantees a ready-for-bid, 100% permitted set of plans and specifications or specified deliverable may be justification for Category 2.
- ❑ Standard Hourly Rate proposals in every case are Category 1.



## City of Austin Capital Contracting Office

Questions, need additional assistance?

Please contact: Cynthia Gonzales - Division Manager  
Cynthia.Gonzales2@austintexas.gov