ADDENDUM No. 1

Request for Proposals

Konocti Corridor Vehicle Miles Traveled (VMT) Study

Pursuant to the Request for Proposals (RFP) for the *Konocti Corridor Vehicle Miles Traveled (VMT) Study*, the deadline to submit written questions was **July 13, 2022**. This Addendum addresses questions received through that date.

Question #1: Section H, Budget, of the Proposal Requirements implies that the Cost Plus Fixed Fee compensation method is required (showing method of developing fully weighted rates with Fringe and Overhead). This compensation method is challenging for consultants and subconsultants that do not have audited billing rates and a Caltrans approved Indirect Cost Rate (ICR).

Will Lake APC alternatively accept the Lump Sum method of payment (with monthly progress payments based on percent complete) as approved by/outlined in the Caltrans Local Assistance Procedures Manual (LAPM) (excerpt below)? The contract amount is understood to be $100,000 or less (relatively small), and the scope of work can be sufficiently defined for this project.

Lump Sum

The consultant performs the services stated in the contract for an agreed amount as compensation, including a net fee or profit. This method of payment is appropriate only if the extent, scope, complexity, character, duration, and risk of the work have been sufficiently defined to permit fair compensation to be determined and evaluated by all parties during negotiations (see Exhibit 10-H: Sample Cost Proposal, Example #1 and Exhibit 10-R: A&E Sample Contract Language, Article V: Option 4). Normally, a lump sum contract will be paid in full at end of the contract when completed. However, a lump sum contract can be negotiated with progress payment if feasible. The progress payment must be based on percent of work complete or completion of clearly defined milestones. The contract cost proposal must document the agreed upon progress payment and include the necessary milestones costs, or the percent work complete schedule.

Changes to Exhibit 10-H requiring resubmittal to Independent Office of Audits and Investigations for review:

• Consultant/subconsultant name change
• New participating subconsultant's ICR
• Change in ICR rate

Since these changes require an amendment, the LPA is to update the Exhibit 10-C: A&E Consultant Contract Database.

A firm fixed price method of payment is not the same as lump sum. A firm fixed price contract must not be amended.

Response: Several sections of the RFP are listed below that are relevant to the question. First, Section IV(H)(Budget) states that the proposal "shall" include a detailed budget showing "hours… and fully weighted rates," along with "the methodology for calculating the fully weighted rates… (e.g. overhead rate, fringe, etc.)."

Section V(A)(Response Review) states that "[e]ach response will be reviewed to determine if it meets the requirements contained in the Request for Proposals. Failure to meet the requirements for the Request for Proposals will be cause for rejection of the proposal." It also notes that "Lake APC may waive [what is determined to be] an immaterial deviation in a proposal."

Section V(B)(Response Evaluation) further states that "[r]esponses will be evaluated according to how well individual criteria have been met," with the "[c]ost of proposal, including budget/resource allocation" accounting for 30% of the evaluation criteria.

Finally, Section V(C)(Contract Award) states that a "contract will be negotiated with the individual or firm determined in the evaluation process to be best suited to perform this project."

Ultimately, the RFP does not note any requirement for "audited rates." An alternative compensation process may be considered through the negotiation process, assuming the subject proposal was selected based on an overall evaluation by the Selection Committee. However, there would still need to be an adequate response made that satisfies Section IV(H) in some fashion. At a minimum, a rationale as to why details can't or won't be provided per the letter of the section.