



FDM 8-20-1 Submittal and Approval Procedures

October 3, 2016

Once the contract or work order negotiations are finalized, the WisDOT Project Manager will review and approve the consultant's proposal. The procedures outlined below must be followed when submitting contracts or work orders to Central Office for approval and encumbrance.

1.1 Contract/Work Order Submittal Requirements

Region contracts less than \$3,000 and work orders and amendments less than \$50,000 are reviewed and authorized by the regional consultant unit supervisor prior to submitting contract documents to DTIM Contract Administration Unit (DTIM-CAU) for processing. If a contract amendment doubles the original contract amount (regardless of the amendment value), then DTIM-CAU must authorize these amendments. See [FDM 8-25-15](#) for more detailed information.

Region contracts greater than \$3,000, and work orders and amendments greater than \$50,000 must be submitted to DTIM-CAU for authorization and processing. Regional contract specialists and consultant unit supervisors will review contracts for completeness prior to submittal.

Bureau contracts less than \$3,000, and work orders and amendments less than \$50,000 must be sent to DTSD-Consultant Services Section (Central Office) for review, authorization, and processing.

Bureau contracts greater than \$3,000, and work orders and amendments greater than \$50,000 are sent to DTSD-CSS for review and processing. After processing these contracts in CARS, DTSD-CSS will forward these contracts to DTIM-CAU for authorization.

Contracts, work orders and amendments submitted to the WisDOT Contract Administration Unit for approval must include:

- Cover/signature page (see [FDM 8-15-1](#))
- Contract/Work Order Submittal Sheet
- Special provisions (see [FDM 8-15-1](#))
- Required supporting documents

Contract/Work Order Submittal Sheet and required supporting documents are on internet at:

<http://wisconsindot.gov/Pages/doing-bus/eng-consultants/cnslt-rsrcs/contracts/supp-doc.aspx>

If the negotiated value of a work order greater than \$25,000 is 50% over the initial estimate, a justification submittal should be made to the approval mailbox.

Contracts that are not actual cost plus fixed fee and are under \$75,000 do not require cost-based estimates in accordance with [FDM 8-10-30](#). Master contracts do not require supporting documents unless a rate or cost/unit for work orders is negotiated in advance.

The contract cover-signature page must include the following:

- The name of the firm,
- Department and consultant representative name and contact information,
- PeopleSoft Account Number,
- Completed All Services section,
- Contract completion date,
- As appropriate, completed DBE section using the current WisDOT dollar threshold and percentage (if applicable). Complete and submit the DBE commitment form, [DT1029](#), per instructions in [FDM 8-5-50.5](#).
- Appropriate signatures

The contract must include any special contract provisions negotiated by WisDOT and the consultant that detail the contract's scope of services and supersede non-applicable standard boilerplate language. Special provisions in contracts and work orders should correctly reference the date of current boilerplate version, and correctly reference the boilerplate language (Ex: Part II-B-2, "Design Study Report") being changed, replaced or deleted.

The "Basis of Payment" special provision should clearly state amounts and the basis of payment for the prime

vendor and all subconsultants, basis for prime vendor payments to subconsultants, and amounts for primes and subs for each project ID, contract phase or "if authorized by written notice to proceed" provision, as well as in total.

On amendments, the increase or decrease in work and total cost for the prime and each subs must be clearly stated in the Basis of Payment.

The Basis of Payment section may not conflict with the "All Services" section of the cover-signature page.

The required supporting documents must include forms that summarize work for each project on a contract. For example, some projects may have labor tasks paid on a lump sum basis while other tasks are paid on an actual cost basis. Even if a breakdown between these costs is necessary, there must also be a separate summary sheet that includes all tasks on the project. This requirement also holds true for "if authorized" costs on contracts. Although our region offices require definition of "authorized" and "if authorized" tasks, summary sheets totaling all tasks for each project on the contract must also be included. Phased contracts must include copies of the first five required supporting documents for each phase of the contract and summary documents for the contract as a whole.

All required supporting documents can be assembled by WisDOT staff or the consultant. If the consultant prepares contract documents, WisDOT staff must thoroughly review them before submittal to the Contract Administration Unit.

Subconsultants should not be listed as direct expenses for the prime firm on a contract.

Subconsultants must submit the same supporting contract documents as prime vendors. A copy of the original signed sub-consultant proposal to the prime vendor must also be included with the contract. The proposal must include the subconsultant's Federal Identification Number (FIN), address and phone number.

If a contract has multiple projects, all of the cost estimate forms - for both prime and subconsultants - for each project should be on consecutive pages. Many contracts currently list all of the prime vendor estimates for each project together, and then show subcontractor estimates at the end of the contract. The material for each project ID should be kept together within the contract. For example, a contract with projects 0000-00-00 & 0000-00-01 should be laid out as such: prime vendor forms for 0000-00-00, subcontract forms for 0000-00-00, prime vendor forms for 0000-00-01, subcontract forms for 0000 00-01. It is necessary to keep all contract cost estimate forms for each project together within the contract to understand all of the costs associated with that project.

All contracts executed by a consultant unit supervisor representing a region or bureau (those less than \$3,000) must be sent to CAU within 10 days of signature to be encumbered, as stated in Transportation Administrative Manual (TAM) Section 66. This is especially crucial at the end of each fiscal year. Multiple copies of contracts and work orders must be submitted for approval, each with original signatures from the consultant and Region/Bureau Director/designee. See Contract/Work Order Submittal Sheet for the number of copies needed for each type of contract or work order.

WisDOT contracts require firms to have current Certificate(s) of Insurance on file with the Department at the time they are executed. The necessary types and amounts of insurance are outlined within the standard provisions of the contract. Firms should not attach copies of insurance certificates with every contract. Contact the WisDOT Contract Administration Unit to inquire about the status of your firms' certificate(s) of insurance by e-mail at consultant.services@dot.state.wi.us or by phone at (608) 266-3328.

1.2 Instructions for Submitting Work Orders

Work orders must be sequentially numbered (1,2,3,4, etc.) within the entire master contract. Numbering work orders according to the State Project ID is not acceptable. For example, if a firm has work orders for project 0000-00-00 and 0000-00-01, there cannot be work order #1 for 0000-00-00 and Work Order #1 for 0000-00-01.

There may be only one State Project ID on each work order.

Work orders must be executed on or before the expiration date of the master contract. The work to be performed by the consultant does not need to be completed by the master contract expiration date.

All work orders executed by region/bureau personnel (those less than \$50,000) must be sent to CAU within 10 days of signature to be encumbered, as stated in Transportation Administrative Manual (TAM) Section 66. Like contracts, this is especially crucial at the end of each fiscal year.

1.3 Instructions for Completing the DT25 Form

A completed Recommendation to Governor for Contract Approval, Form [DT25](#) must be included with all contracts totaling more than \$3,000.

Please follow the instructions below when submitting the Form [DT25](#):

1. When submitting multiple master contracts for a specific type of engineering work, include an electronic copy of the Form DT25 for each contract.
2. The Originator Name on the Form DT25 should be the WisDOT Contract Manager.
3. In the Contract With: section, include the complete name, city and state of the consultant.
4. Item 1, Project(s) requested by or Purpose, should include the length (in miles) of the existing roadway and type of work (resurfacing, reconstruction, etc.) for highway engineering. Contracts for bridge work must include the type of work (resurfacing or replacement), existing bridge dimensions and estimated new bridge dimensions and approaches.
5. For Item 2, write a brief list of the scope of services.
6. Under Item 3, Consequences if not Approved, briefly explain the specific necessity of this improvement or alternatives to entering into this contract.
7. Send a copy of the electronic DT25 form to CAU via e-mail at dt25@dot.state.wi.us.

Form [DT25](#) is not required for work orders or amendments (except in situations where amendments go to the Secretary's and Governor's Office as outlined in [FDM 8-25-15](#)).

1.4 Approval Procedures

The required number of contract/work order copies stated below is for Central Office use. Regions/bureaus may require consultants to submit additional copies.

1.5 Contracts Less Than \$3,000

When the contract value is less than \$3,000, the region or bureau's consultant unit supervisor may sign the contract on behalf of WisDOT. Two copies of the contract with original signatures are then submitted to CAU. One copy is sent to DTSD Central Files and the other is forwarded to the Expenditure Accounting Unit, Room 951, Hill Farms for encumbrance of funds and payment processing.

1.6 Contracts of \$3,000 or More

CAU will obtain the Governor's approval and the Contract Manager will sign all contracts of \$3,000 or more. Three copies of the contract must be submitted to CAU, all with original signatures. Additional copies of three-party contracts must be submitted for each local unit of government involved. A completed [DT25](#) form must be included with each contract, as well as all required supporting documents.

CAU will perform pre-award reviews on contracts \$50,000 and greater prior to approval (See [FDM 8-25-30](#)). Once approved and signed, two copies (plus any copies for local governments) will be returned to the region/bureau. One copy will be retained in the DTSD Central Files and pertinent information will be forwarded to the Expenditure Accounting Unit for encumbrance of funds and payment processing.

1.7 Work Orders Less Than \$50,000

Work orders less than \$50,000 are signed by the region or bureau's consultant unit supervisor. Send two copies of the work order with original signatures and required supporting documents to CAU.

One copy of the work order is sent by CAU to DTSD Central Files and the other is forwarded to the Expenditure Accounting Unit for encumbrance of funds and payment processing.

1.8 Work Orders of \$50,000 or More

For work orders of \$50,000 or more, send three copies with original signature and all required supporting documents to CAU for processing, pre-award and approval. Once approved and signed, two copies will be returned to the region/bureau. One copy will be retained for DTSD Central Files and pertinent information will be forwarded to the Expenditure Accounting Unit for encumbrance to funds and payment processing.

The CAU notifies regions/bureaus when contracts have been approved. The region/bureau then authorizes the firm to begin work.

1.9 Web Resources

For more information on submitting contracts is accessible at:

<http://wisconsin.gov/pages/doing-bus/eng-consultants/cnslt-rsrcs/contracts/default.aspx>

5.1 Design and Construction Engineering Services

Once a design engineering contract is approved and signed, the responsible transportation region (or local unit of government for 3-party contracts) must send the consultant a written authorization to proceed with work or services.

Two design services contracts will be required for projects expected to require an EIS or EA and may also be required for some complex and/or high cost projects for which an EIS or EA is not required. If two design services contracts are required, funds for the second contract will not be obligated / authorized until after the environmental document (from the first contract) is approved. Written authorization to proceed with work or services must not be issued until funds are obligated / authorized.

Even if Preliminary Design and Final Design are part of the same contract, Final Design work may not begin until the applicable environmental document is approved.

The Authorization to Proceed letter for executed construction engineering contracts may not be sent to the consultant until the road-building contract has been let to bid and the project ID is authorized in FIIPS (Financial Integrated Improvement Programming System). Consultants cannot begin engineering work until the authorization letter has been issued. See [Attachment 5.1](#). Send two copies of the authorization letter to the DTIM-Contract Administration Unit, Room 951, Hill Farms.

5.2 Construction Engineering Revised Authorization to Begin

The revised authorization letter may be used to transfer dollars from one project ID to another within a contract when there is no "not to exceed" dollar limit on the individual projects in the contract basis of payment.

5.3 Master Contract Work Orders

No Authorization to Proceed letter is necessary for work orders. A completed and properly signed and executed work order issued to the consultant by the department shall constitute authorization to commence work.

5.4 Phased Consultant Contracts

Large design engineering contracts that span multiple years may be divided into phases. When contracts are phased, authorizations to begin work are issued for each phase rather than for the entire contract. Contract phases must represent segments of work on a project that could logically have been awarded as separate contracts.

At least two phases are required for projects expected to require an Environmental Impact Statement (See [FDM 21-15-1](#)) or Environmental Assessment (See [FDM 21-15-5](#)). The first phase must end with the environmental document approval. The subsequent phase will not be obligated / authorized until after the environmental document is approved.

Phases may also be required for some complex and/or high cost projects for which an EIS or EA is not required. Contact your region FHWA Engineer for further guidance.

The WisDOT Contract Manager must approve the use of phasing on a contract before it is submitted to CAU for execution.

The scope of work for each phase must be clearly defined within the contract. The contract must also include detailed labor cost and hour estimates for each phase, as well as summary hour and cost estimate forms that include all phases. See [FDM 8-10-1](#) and [FDM 8-20-1](#) for more information on how to prepare estimates for consultant contracts.

Once a phased consultant contract is executed, the region/bureau must send the consultant an Authorization Letter to Begin Work ([Attachment 5.2](#)) on the first contract phase. The region/bureau must also send a new Authorization Letter before the consultant is allowed to begin work on each future phase. These letters state the scope of work to be completed and the upper limit of compensation for a particular contract phase.

Send signed copies of all authorization letters to BFS-CAU. The authorization letter is then forwarded to the Bureau of Financial Services' Expenditure Accounting Unit for encumbrance purposes.

Regions/bureaus are responsible for tracking the progress of any future contract phases needing to be authorized.

Phasing of contracts is allowed only on multi-year design engineering contracts. Phasing is not allowed on construction engineering contracts.

5.5 If Authorized by Written Notice to Proceed

Regions/bureaus are allowed to use “if authorized by written notice to proceed” contract provisions to assure that consultants receive written authorization before completing specific tasks. These provisions are to be used sparingly, when the exact scope of the project is not clear at the time of contract negotiation. Consultants can not begin “if authorized...” work until the authorization letter has been approved.

These tasks are separated from all other work in the contract by language in the “All Services” and “Basis of Payment” sections. “All Services” language for the contract Cover/Signature page is available in [Attachment 5.4](#). The amounts listed for these tasks are not encumbered with the original contract.

The use of these tasks is restricted in the following ways:

1. A written notice to proceed, as shown in [Attachment 5.3](#), must be signed by the district and sent to the consultant before they are allowed to begin the work. The Contract Administration Unit must receive two copies of the Notice to Proceed from the district before the amount for a specific task is encumbered.
2. A maximum of 10 “if authorized...” tasks are allowed on each contract.
3. The total amount of all “if authorized...” tasks on a contract will be no greater than 50% of the total contract amount.
4. "If authorized" tasks cannot be included in an amendment.

Any variances from the above restrictions must be approved by the WisDOT Contract Manager before the contract is submitted to central office.

The fee computation and labor hour estimates for “if authorized...” work will be included in the original contract. See [FDM 8-20-1](#) for more information on fee estimates using “if authorized” tasks.

Any changes in the scope or cost of “if authorized” work must be changed via amendment.

5.6 Authorization Letters and Contract Encumbrance

Authorization letters for construction engineering contracts, phased design contracts, and “if authorized by written notice to proceed” work are sent to CAU to encumber funds in WisDOT’s financial system. No payments can be made to vendors until these contract funds are encumbered.

Design contracts that are not fiscally phased are encumbered immediately upon execution, so CAU does not receive a copy of those authorization letters.

LIST OF ATTACHMENTS

Attachment 5.1	Authorization Letter to Begin Work
Attachment 5.2	Authorization Letter to Begin Work - Fiscally Phased Contract
Attachment 5.3	Notice to Proceed Letter for “If Authorized” Consultant Work
Attachment 5.4	All Services Section for “If Authorized” Cover/Signature Page