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### 1.1 Purpose of Manual

The Contract Manager plays a vital role in the contracting process. As the representative of both Caltrans and the State of California, the Contract Manager is the person responsible for ensuring that the Department and State receive both quantity and quality of services for which it has contracted at the agreed upon price.

The purpose of this manual is to provide guidelines for the Contract Manager in managing service contracts. (For management of Architectural and Engineering contracts, please see A&E Consultant Services Manual).

The manual is the result of a recent audit of the department's service contracting function in which a number of concerns relative to the performance of Contract Managers were identified. Because there appears to be no uniform understanding of the specific roles and responsibilities of Service Contract Managers, this Service Contract Managers Manual attempts to guide the Contract Manager through the various aspects of managing a service contract. The manual includes, but is not limited to, the steps necessary to request a service contract; the role in monitoring and managing contracts; and the responsibilities for amending and renewing service contracts.

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# SERVICE CONTRACTS MANAGERS MANUAL

**NOTE:** If attending the Contract Manager training, please bring this manual with you to the training session.

**Authority**

**Ethics and Responsibilities**

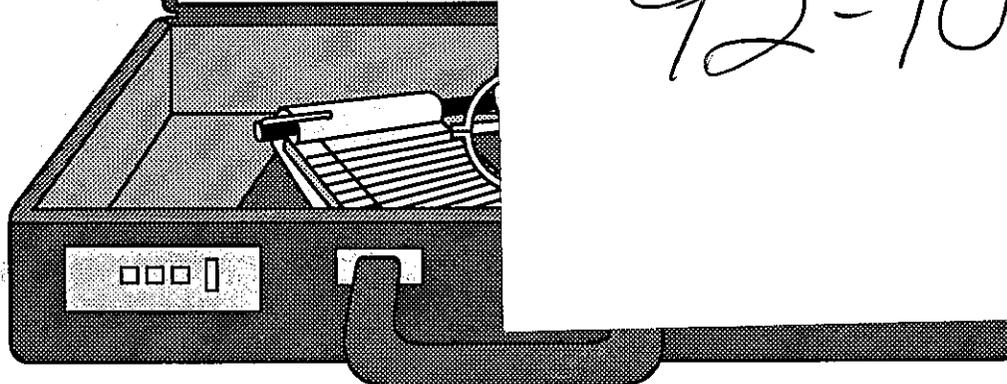
**Conflict of Interest**

**Service Coni**

**Record Keep**

**Contract Ma**

92-10



California Department of Transportation  
Division of Administrative Services  
Office of Service Contracts

October 1992

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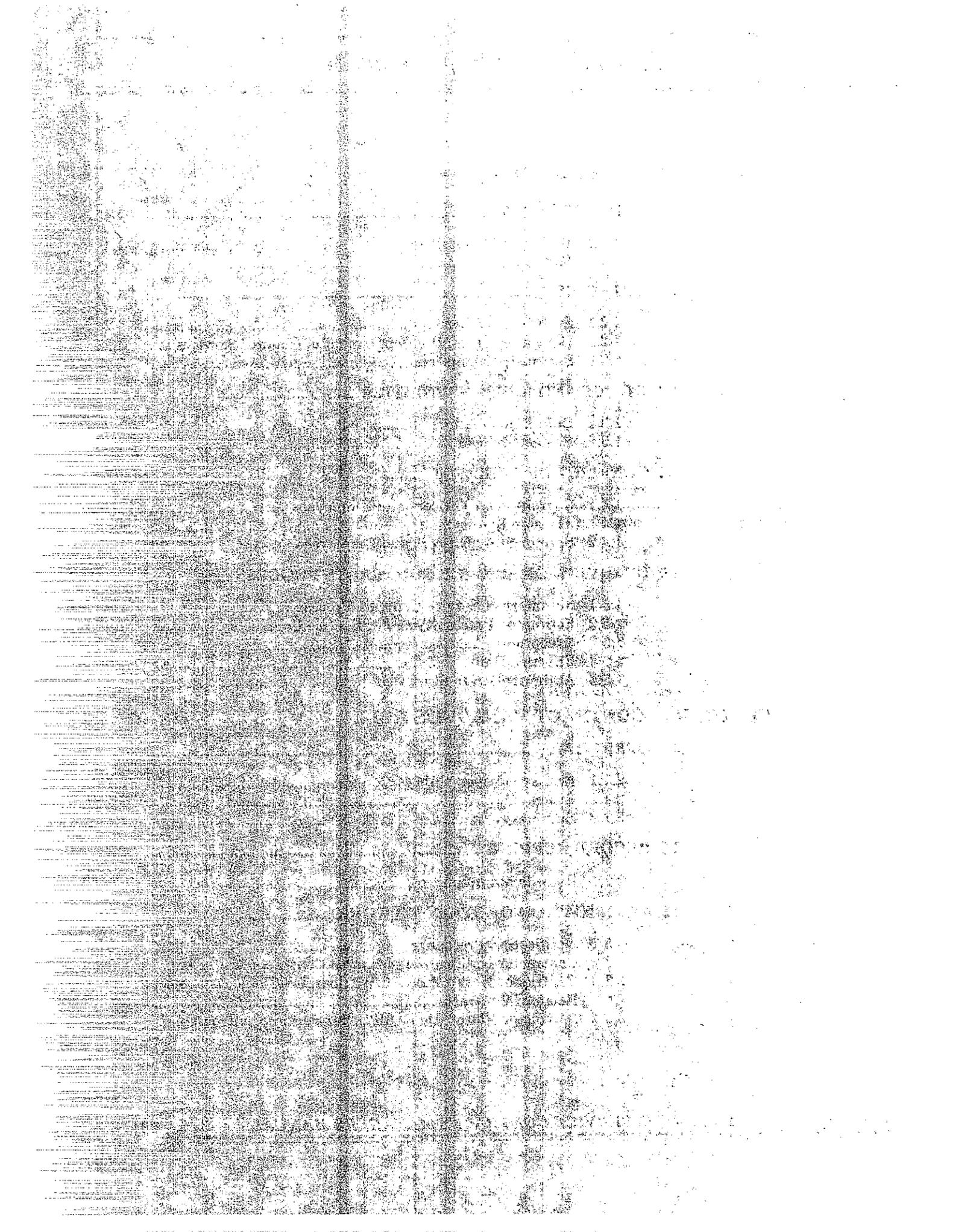
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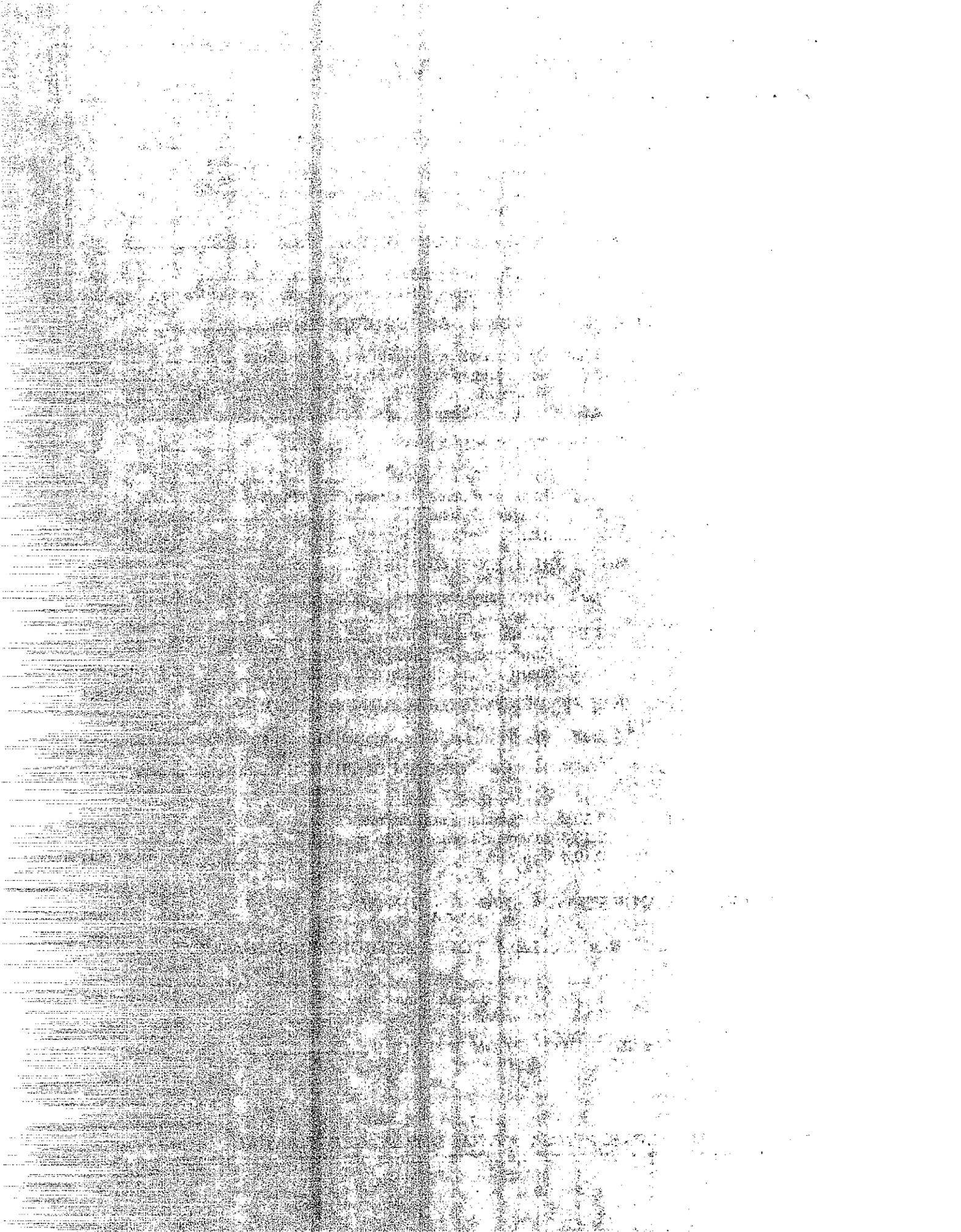


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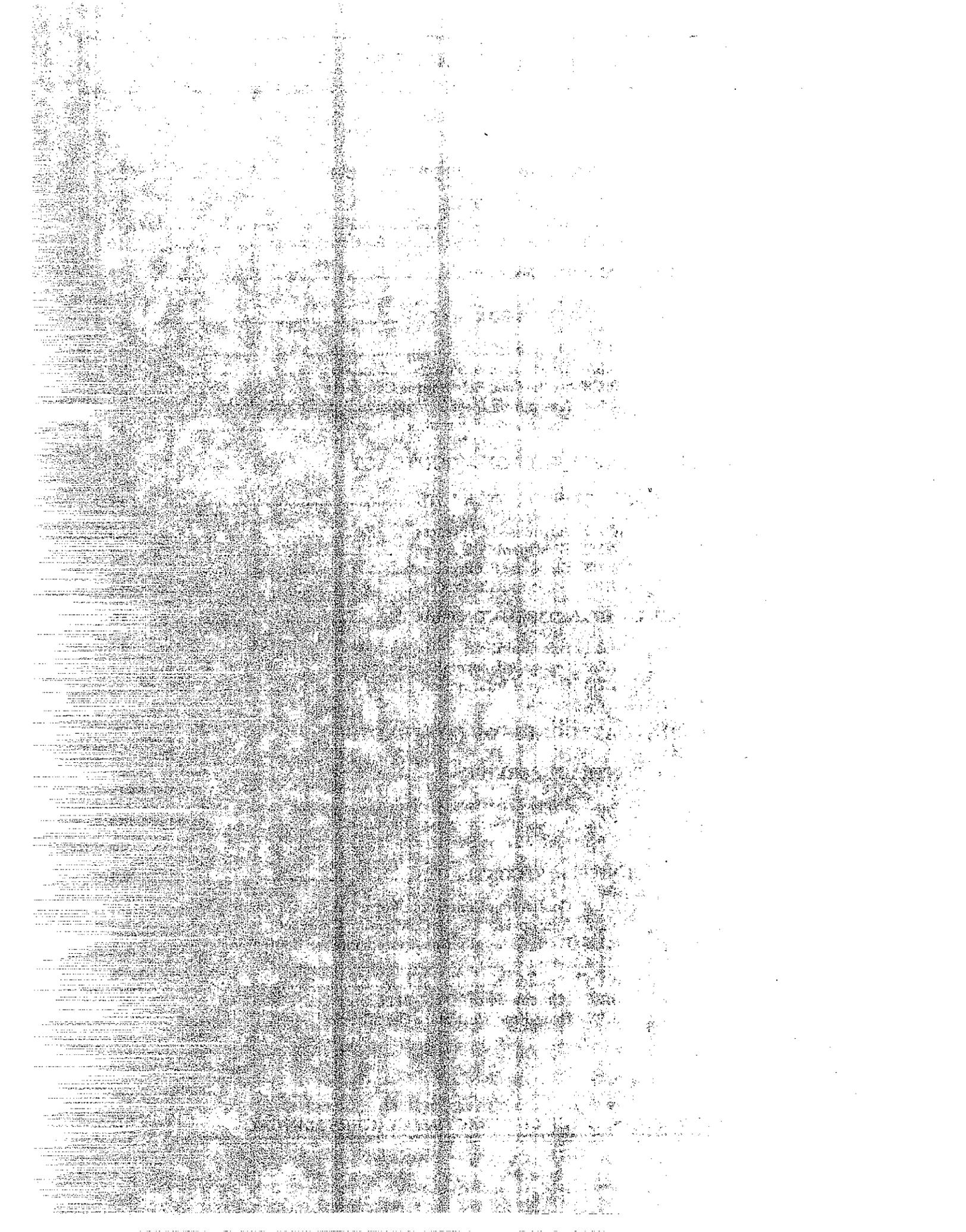
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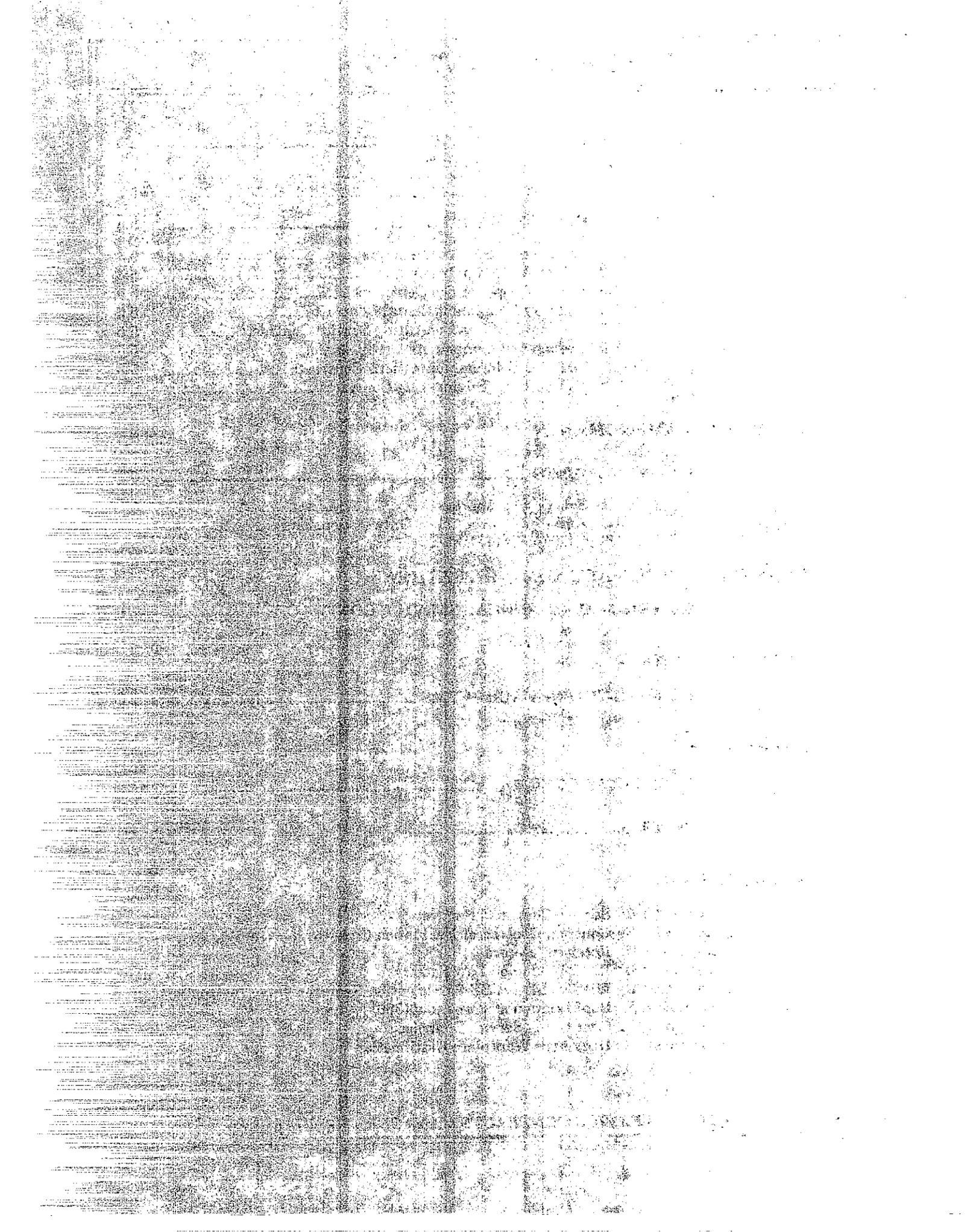
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# CHAPTER 1 - INTRODUCTION

## 1.1 PURPOSE OF MANUAL

The Contract Manager plays a vital role in the contracting process. As the representative of both Caltrans and the State of California, the Contract Manager is the person responsible for ensuring that the Department and State receive both quantity and quality of services for which is has contracted at the agreed upon price.

The purpose of this manual is to provide guidelines for the Contract Manager in managing service contracts. (For management of Architectural and Engineering contracts, please see A&E Consultant Services Manual).

The manual is the result of a recent audit of the department's service contracting function in which a number of concerns relative to the performance of Contract Managers were identified. Because there appears to be no uniform understanding of the specific roles and responsibilities of Service Contract Managers, this Service Contract Managers Manual attempts to guide the Contract Manager through the various aspects of managing a service contract. The manual includes, but is not limited to, the steps necessary to request a service contract; the role in monitoring and managing contracts; and the responsibilities for amending and renewing service contracts.

### 1.1.1 Errors and Omissions

Notice of errors and omissions is requested. Notice should be sent to the Statewide Policy Branch, Office of Service Contracts.

### 1.1.2 Revisions

Suggested revisions to the manual should be sent to the same address identified under distribution. Revisions and procedural changes will result in future revisions of the Contract Managers Manual.

## 1.2 AUTHORITY

The Department derives its authority to enter into contracts from two primary sources:

- The Department of General Services - delegated authority. (Delegated Authority)

- The Legislature - direct authority through legislative statutes. (Statutory Authority)

### 1.2.1 Delegated Authority

Government Code Section 14615 vests in the Department of General Services (DGS) general powers of supervision over matters concerning the financial and business policies of the state. This power has been construed by the courts to place the responsibility in the DGS to conserve the financial interests of the state, to prevent so far as possible any improvident acts by the entities of the state, and to avoid improvident expenditures.

Included within these general powers of supervision is the overall responsibility for all state contracts, except certain types of contracts for which other departments have been given specific statutory authority. To meet its responsibilities in reviewing contracts, the DGS is concerned with ensuring that the best interests of the state are preserved, that contracts are in compliance with laws, rules, regulations, and established policies, and that expenditures are made as wisely and economically as possible.

Public Contract Code Section 10295 requires that any contract subject to the approval of the DGS be transmitted to the DGS with all papers, estimates, and recommendations concerning it. The contract is void unless and until approved by the DGS.

Under the authority of the Government Code and the Public Contract Code, the DGS has delegated to Caltrans approval authority for certain contracts up to certain monetary limits. Under the conditions of delegation, Caltrans must comply with applicable provisions of law, regulations and DGS policies as set forth in the State Administrative Manual; must demonstrate the ability to carry out these policies and procedures; ensure contract staff are adequately trained; implement manual or electronic means of identifying and locating contracts; perform appropriate internal reviews and audits; and, upon request, report to the DGS and the Legislature.

Service contracts can be signed only by those individuals who have been delegated authority and have signature cards on file with the DGS.

# CHAPTER 1 - INTRODUCTION

## 1.2.2 Statutory Authority

Through specific legislative statutes, the Department has been empowered with the authority to execute numerous types of contracts. Many of these contracts are not under the DGS's purview, regardless of contract amount. While these contracts are exempt from some of the provisions in the Public Contract Code and the State Administrative Manual, special provisions apply as a matter of policy to ensure that all contracts protect the interests of the state, and promote competitive bidding. While some contracts are excluded from the DGS's purview, all contracts are subject to review by the Division of Audits, the Auditor General and the Legislature.

## 1.2.3 Delegations from the Department of General Services

The Department has been delegated approval authority for certain contracts normally requiring DGS approval. Under the DGS Exemption Notice No. 11.5, the Department has been delegated approval authority for service and consultant services contracts under \$50,000 and for hazardous contracts under \$10,000.



**All applicable contracts totaling \$50,000 or more, and hazardous contracts totaling \$10,000 or more, must be sent to the DGS.**

The Department has also been delegated approval for Electronic Data Processing (EDP) related contracts (Exemption Notice #DB-028) and telecommunications contracts (Exemption Notice #TB-007) with an annual value of \$250,000 or less per contract.

In addition, the Department has the authority to approve amendments extending the original time for completion of performance for a period of one (1) year or less for those contracts that were originally approved by the DGS. This exemption may only be used once for extending "time" only, and it may not be used if the amendment changes any other terms or conditions of the original contract.

## 1.2.4 Statutory Exemptions

The Department has statutory authority to execute numerous types of contracts, which are not under the DGS's purview, regardless of contract amount. Full authority to execute all applicable contracts has been delegated to the districts, subject to an annual District Contract Office performance evaluation.

## 1.3 ETHICS AND RESPONSIBILITIES

### 1.3.1 Definition of Ethics

The dictionary defines an ethic as: (1) "a principle of right or good conduct," and (2) "a system of moral principles or values." Ethical conduct is action conducted in accordance with the accepted principles of right and wrong that govern the conduct of a profession.

### 1.3.2 Responsibilities

No Contract Manager shall accept, directly or indirectly, any gift, loan of money or equipment, meal, lodging, transportation, entertainment, service or any other favor of value from any person (including individuals, firms, corporations, partnerships, associations, other governmental bodies, or agents and representatives to these persons) who is doing or seeking to do business of any kind with the Contract Manager's appointing authority under circumstances from which it reasonably could be substantiated that the gift was intended to influence the Contract Manager in his/her official duties; or was intended as a reward for any official action performed by the Contract Manager. These favors should be courteously refused. All gifts received are to be returned unless they are items of no real value which are mass distributed by firms. The return of these gifts can be at the expense of this Department through one of its mail rooms, and can include any insurance needed. Perishables of value should be given to a local charity, and the person who sent the gift informed of this action.

Occasionally circumstances occur in which payment by others for a meal cannot be avoided without excessive rudeness. Under such circumstances, there would be no violation of this policy as long as the value involved is modest and the situation occurs infrequently.

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Contract Managers are not to accept any construction materials or equipment of even nominal value from contractors. In the event that materials and equipment are offered, Contract Managers are to advise their supervisors immediately of the contractor's intent to influence a favorable action by the state, regardless of the fact that these favors have been refused.

Contract Managers who have been given authority to make outside purchases for materials or services shall not make such purchases from any business entity in which they have financial interests.

Contract Managers are subject to disciplinary action for violation of policies as noted above and contained in the Department's Incompatible Activities Policy & Procedure No. P76-10 as revised 10/5/87.



**Actual or suspected irregularities affecting state funds or operations must be reported to the appropriate Contracts Office. Irregularities include fraud, embezzlement, malfeasance or any other attempt to misuse state resources or interests, either by state employees or others dealing with the State.**

## 1.4 CONFLICT OF INTEREST

The Department's policy on conflict of interest is covered by Policy 76-10, "Incompatible Activities." Contract Managers involved in administering and/or monitoring service contracts should be familiar with this policy.

### 1.4.1 Current State Officers and Employees

In accordance with the Public Contract Code, a state agency is prohibited from entering into a contract in which a state officer or employee will engage in any employment or activity funded through the contract, unless the employment or activity is required as a condition of the officer's or employee's regular state employment. In addition, no state agency may contract with a state officer or employee to provide consulting services as an independent contractor.

#### 1.4.1.1 Outside Employment

Contract Managers shall not engage in any outside employment that is clearly inconsistent, incompatible, or in conflict with their duties as state employees.

The following, while not all inclusive, have been determined as outside employment activities which are inconsistent, incompatible, or in conflict with a Contract Manager's duties:

- (a) Engaging in outside employment which precludes a Contract Manager from devoting his/her full time, attention, and efforts to his/her state office or employment during his/her hours of duty as a state officer or employee.
- (b) Engaging in outside employment which involves any use of the Department's time, its facilities, training materials, vehicles, equipment, supplies, telephones, addresses, records, confidential information, or travel expenses.
- (c) Furnishing estimating services, or any other services, to any person bidding on, or who may reasonably be expected to bid on a contract with Caltrans.
- (d) Engaging in outside employment with a person who is doing or attempting to do business with this Department. (Exceptions may be granted by the Division Chief or District Director when the Contract Administrator's duties and outside employment duties are such that he/she cannot influence either the obtaining, continuance, amount or quality of products or services obtained by this Department.)
- (e) Engaging in outside employment involving projects which are subject to review, control, audit or approval by the individual employee.
- (f) Engaging in outside employment providing a service that is needed as a consequence of right of way activities or legal actions involving this Department.
- (g) Engaging in outside employment in connection with litigation or potential litigation against another public agency as counsel, witness or consultant.

# CHAPTER 1 - INTRODUCTION

## 1.4.2 Former State Officers and Employees

No state agency may enter into a contract with a former state employee, if that person, while employed as a state employee, was engaged in any of the negotiations, transactions, planning, arrangements, or any part of the decision-making process relating to the contract. This prohibition applies for a two-year period from the date the person left state employment.

No state agency may enter into a contract with a former state employee, within 12 months of the person leaving state employment, if that employee was employed in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to the employee leaving state employment.

An exception exists for expert witness contracts tied to litigation wherein individuals were part of the decision making process.

## 1.5 OVERVIEW OF SERVICE CONTRACTS PROCESS

### 1.5.1 Summary of Service Contract Process

While determining the need for a contract service, it is necessary to decide when the contract should take effect. It is essential to have a timeframe that allows for the following to occur:

1. Preparation of a clear and specific description and/or scope of work.
2. Determination of whether there is an existing Master Services Agreement, Interagency Agreement or Service Contract already in effect for the desired services.
3. Estimation of the amount of the contract and the source of funds.
4. Completion of a Contract Request Form (see Attachment A) including securing necessary signatures and submitting to the Service Contracts Office.
5. Completion of the bid process (requires working closely with the district or Headquarters (HQ) Contracts Office.)

6. Finalization and execution of contract.
7. Ensuring that all parties understand the provisions of the contract.
8. Authorizing the contractor to begin work.

### 1.5.2 Estimated Process Time For Service Contracts

#### Work Days

- |          |  |
|----------|--|
| 5 days   | Determination of services needed, funding availability, completion of Contract Request Form (360), signature approvals and submission to the Service Contracts Office. |
| 3 days   | Form 360 received, processed, logged and assigned to Contract Analyst/Writer.  |
| 10 days  | Preparation of advertisement/request exemption.  |
| 15 days  | Preparation of proposed contract, bid submission instructions.   |
| 30 days  | Advertise in the State Contracts Register, and accept bid submission.  |
| 15 days  | Bid opening, determination of responsible bidder, award of contract.   |
| 5 days   | Contract written   |
| 30 days  | All signatures obtained.   |
| 15 days  | Submission to the DGS Legal (if applicable).   |
| 10 days  | Approval and execution of contract.  |
| 7 days   | Receipt and distribution of approved/executed contract. (May only take 1 day at HQ; however, district contracts are mailed.)   |
| 105 days | Total work days necessary. (105 work days = 3.5 work months or 5 calendar months)  |

*(Shaded areas represent activities that can occur concurrently.)*

# CHAPTER 1 - INTRODUCTION



The above are estimated minimum working days to process a contract. These timeframes **DO NOT** include time for making corrections, obtaining additional information or obtaining additional contract approvals.

## 1.5.3 Execution

Execution occurs when a contract is approved by all required parties. It may occur after the effective date of the contract.

## 1.5.4 Effective Date

The effective date of the contract is that date stated as the beginning of the term of the contract.

## 1.5.5 Authorization to Start Work

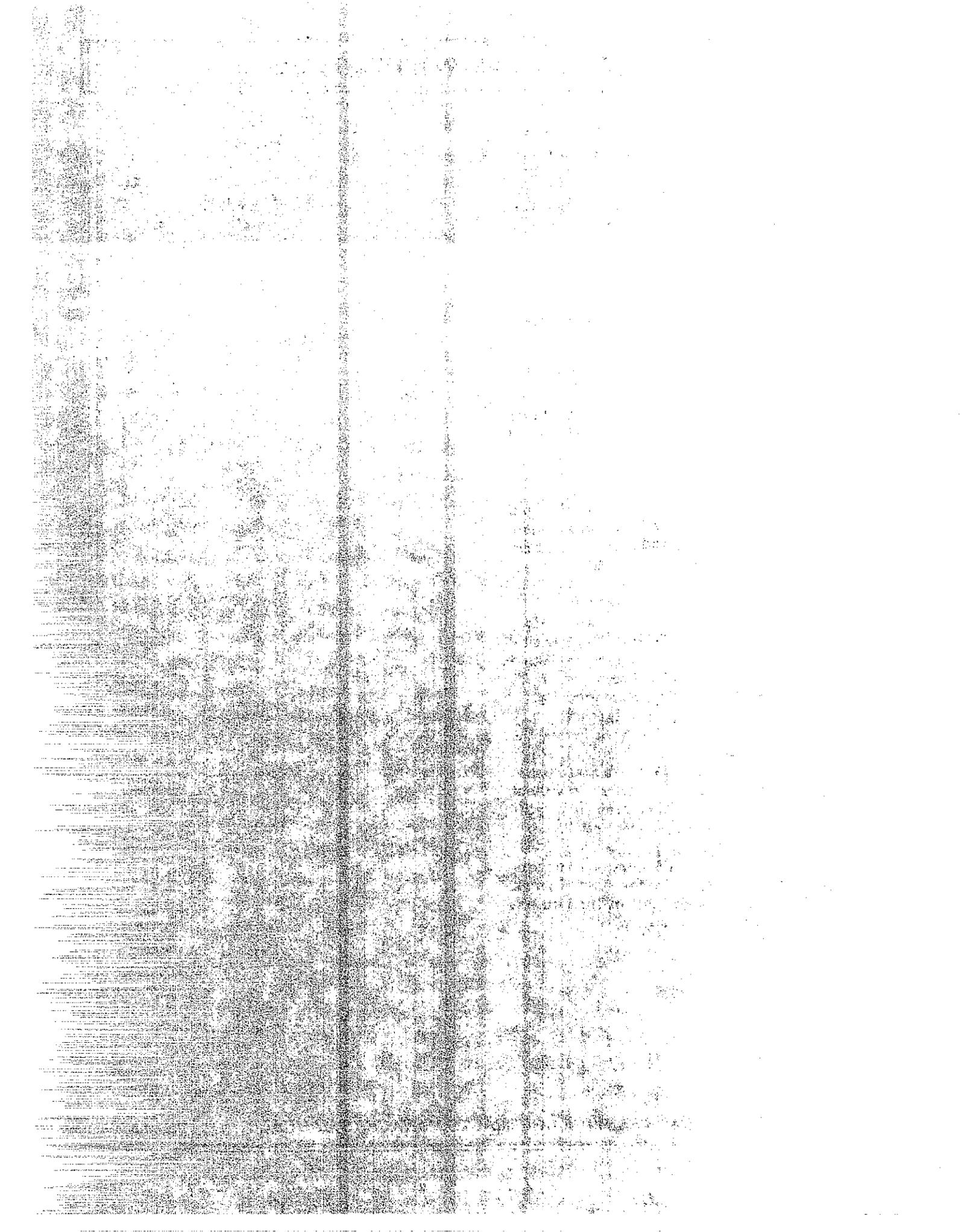
The Contract Manager is authorized and responsible for notifying the contractor to start work. The Contract Manager is **NOT** authorized to instruct the contractor to start work before the contract is executed.

If the contractor is authorized to start work before the contract is executed, the Contract Manager may be subject to disciplinary action. The only exception is an emergency contract that is necessary for the immediate preservation of life or state property.

Contractors authorized to begin work before the effective date or contract execution date do so at their own risk, and may be required to file a State Board of Control claim for payment for work done without an executed contract. This is an extremely lengthy process and may result in no payment at all.



It is the Contract Manager's responsibility to authorize the start of work **ONLY** upon notification that an executed contract is in effect.



# CHAPTER 2 - CONTRACT MANAGERS ROLE

## 2.1 OVERVIEW

The requesting unit designates the Contract Manager who will manage and monitor the contract. The Contract Manager is the authorized representative of the State of California, and is responsible for the administration of the contract and for monitoring the contractor's performance.

The Contract Manager acts as a liaison with the contractor and performs administrative tasks ranging from the request of contract services through the performance and final payment of services completed.

The Contract Manager is responsible for the following:

- Notifying the contractor to begin work;
- Monitoring the contract to assure compliance with contract provisions;
- Approving the final product/service;
- Monitoring expenditures and approving invoices for payment;
- Completing the Std. 4 Contractor Evaluation Form (see Attachment B) for consultant service contracts of \$5,000 or more; and
- Requesting amendments, renewals or new contracts as required.
- Monitoring use of MBE/WBE/DVBE Sub-contractors/Suppliers

### 2.1.1 Primary Responsibility

The primary responsibilities of the Contract Manager are to: (1) monitor progress of work to ensure that services are performed according to the quality, quantity and manner specified in the contract; (2) ensure that work proceeds on schedule and that all work will be completed and accepted by the Department before the contract expires, and (3) monitor all invoices to ensure sufficient funding to pay for all services rendered as required in the contract.

### 2.1.2 Non-Authority

The Contract Manager is **NOT** authorized to take the actions listed below.

- Instructing the contractor to start work before the contract is executed.
- Changing the description or scope of work of the contract.
- Directing the contractor to do work which is not specifically described in the contract.
- Signing the Department's contract as the Department's delegated authority.
- Signing any contractor's contract form.

Additionally, the Contract Manager is NOT authorized to take the following actions without an executed and approved contract amendment in place.

- Extending the time period of the contract.
- Allowing the contractor to incur any additional costs over the limit set in the contract.

### 2.1.3 Ethics

No Contract Manager shall accept, directly or indirectly, any gift, loan of money or equipment, meal, lodging, transportation, entertainment, service or any other favor of value from any person who is doing or seeking to do business of any kind with the Department or any representative there of.

### 2.1.4 Summary

The Contract Manager plays a very important role in monitoring the performance of the contractor from the commencement of work to the completion of evaluations, and, if necessary, the requesting of amendments or renewals. The Contract Manager is the authorized representative of the Department in any dealings with the contractor.

# CHAPTER 2 - CONTRACT MANAGERS ROLE

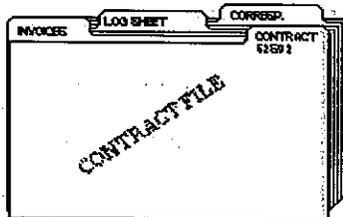
## 2.2 RECORD KEEPING

The Contract Manager is responsible for maintaining all invoices, records and relevant documentation for three years after the termination of a contract. At any time during this period, an independent audit may be conducted to verify performance, compliance, and appropriateness of authorized payments.

### 2.2.1 Records Maintenance

Although there is no set format for maintaining records by Contract Managers, the following are recommendations for the maintenance of contract records.

#### 1. Label a file folder for each contract administered.



Each file folder should include a log sheet. It will be used as a diary of activities related to the contract. Each time you speak with anyone regarding the contract, an entry with the date of discussion should be noted.

Each file folder should include a file guide labeled "Invoices". A copy of all invoices must be retained.

Each file folder should contain a copy of the executed contract and any other pertinent documentation, such as a copy of the original request for contract and any correspondence related to the contract or contractor.

#### 2. Prepare an electronic file of all contracts administered.

Obviously, access to a terminal or personal computer (PC) is necessary for the preparation of an electronic file. This allows ease in the access of management information. Expenditures for all contracts can be

determined, contract expirations can be easily accounted for and contract renewals can be readily determined.

#### 3. Prepare a spread sheet of expenditures.

This is especially necessary if electronic tracking means are not used. It can be a simple document showing the contract amount encumbered and then deducting each invoice amount as it is approved for payment. This is extremely important for those contracts that have varying invoice amounts and payment provisions.

CONTRACT 52G927 EXPENDITURES FY 1993		
DATE	DESCRIPTION	COST
5\27\92	Plumbing 16th St House	\$1,883
6\29\92	Plumbing 27th St House	\$1,883
	Budgeted	\$5,312
	Expended	\$3,765
	Balance	\$1,556

#### 4. Notification to Contractor of Start Date.

Work cannot begin prior to contract execution and the effective date of the contract. Although initial notification to start work may be verbal, it should also be documented with a copy of the notification retained in the contract file.

#### 5. Correspondence with Contractor.

All communications regarding the contract and/or the contractor should be in writing or followed up in writing with a copy placed in the contract file.

This protects the Department and the Contract Manager in the event of legal problems, or in an audit.

#### 6. Performance of Contract Services

Monitor the contractor's performance and document accordingly.

# CHAPTER 2 - CONTRACT MANAGERS ROLE

## 7. Non-performance of Contract Services

If problems are encountered during the term of the contract, they should be fully documented. Letters to contractors should outline specifically the problems related to non-performance. Use contract specifications verbatim in letters so there is no doubt as to services covered in the contract. All non-performance letters should be sent "Certified" with copies to all concerned parties.

## 8. Contract Completion

To finalize or complete the contract process, contact the contractor to determine if all invoices have been received. Disencumber any remaining funds, and notify Accounting via memo of the amount to be disencumbered. A copy should be retained in contract file folder. If an electronic file had been opened, close that file. Maintain contract file folder for three years upon completion of the term of the contract.

## 9. Evaluation of Contractor

Any consultant/personal service contract of \$5,000 or more requires a Contract/Contractor Evaluation to be completed. A Std. 4 Contractor Evaluation (see Attachment B) should be completed and forwarded to the Contracts Office within 60 days following completion of the contract. In those cases where negative findings are made, the Std. 4 Contractor Evaluation should be forwarded to the Contracts Office within five (5) days of contract completion.

Contract/Contractor Evaluation forms are not public documents and, therefore, should not be filed in the contract file. A separate, non-public file containing contractor evaluations should be maintained for three years.

## 2.3 NOTIFICATION OF START TO WORK

Authorization to begin work is one of the major responsibilities of the Contract Manager. Work on a contract is not to begin, except in emergency situations ('services required immediately to avert, alleviate, or repair damage or destruction to state property or to protect the public health, safety and welfare') without a fully executed contract in place.

The responsibility for approving a contract within a district rests solely with those delegated that authority. Contract Managers are not among the individuals delegated this authority.

### 2.3.1 Notification Procedure

In most instances, contractors are initially notified verbally to begin work. Verbal notification to contractors must be followed up in writing, and can either be mailed or hand-carried to the contractor. A copy of the written notification must be placed in the contract file. **No work should be authorized after the contract expires.**

### 2.3.2 Contractor Notification - Minor B Contracts

Copies of approved and executed Minor B contracts are sent to the Contract Manager, and the Resident Engineer (RE). The RE then meets with the contractor to provide them with their approved contract and the notification letter to start work. (See General Specifications for Service Contracts, Section 8.03-Beginning of Work.)

### 2.3.3 Contractor Notification - R/W Clearance/Demo & "Project Related" Contracts

At the time of contract award, the Contract Manager advises the contractor **not** to start work before final approval. The only exception is for emergency services (as defined in Section 2.3 of this manual). Two copies of the approved contract are received by the Contract Manager who prepares a "Start Work Letter". This letter and an approved copy of the contract is then either mailed through certified mail or hand-carried to the contractor. Upon receipt of approved contract and start work letter, the contractor begins work within five working days.

### 2.3.4 Contractor Notification - All Other Service Contracts

The Contract Manager is notified by the Contracts Office that the contract has been approved and executed. The Contracts Office forwards a copy of the executed contract to the contractor as well as the Contract Manager for their files.

# CHAPTER 2 - CONTRACT MANAGERS ROLE



Only upon notification that the contract has been approved and executed is the Contract Manager authorized to have the contractor begin work.

## 2.4 RELATIONSHIPS WITH CONTRACTORS

### 2.4.1 Incompatible Activities

No Contract Manager or representative of this Department shall accept any gift, loan of money or equipment, meal, lodging, transportation, entertainment, service or any other favor of value from any person who is doing business or seeking to do business of any kind, especially if the appearance is one of intent to influence the Contract Manager or representative in the processing of any contract. (Please see Chapter 1, Section 1.3 for a more detailed definition.)

Contract Managers may have no intent to be unethical. However, an appearance of a lack of ethics should clearly be considered before responding to any of the above. Sometimes the appearance of a lack of ethics can cause as many problems as an actual lack of ethics. As a state employee and the recognized representative of the Department, Contract Managers are visible and must therefore conduct themselves in a most ethical manner.

Contract Managers are subject to disciplinary action for violation of policies as noted above and contained in the Department's Incompatible Activities Policy and Procedure.

### 2.4.2 Obtaining General Information from Contractors

Before preparing contract requests, obtain as much information as is possible to determine required services. Call two or three contractors and ask how they invoice services, i.e., hourly, lump sum, each time service is performed, etc. Find out if there are any surcharges in special situations. Determine if they provide other types of services in conjunction with the service desired, and if the services are included in the costs or if they involve additional charges. Obtain as much information as is necessary to make specifications for an accurate bid clear and precise.

### 2.4.3 Recruiting Contractors

Refer to Chapter 3, Section 3.2 for details.

## 2.5 MONITORING CONTRACTOR PERFORMANCE

The primary responsibility of the Contract Manager is to monitor the progress of work to ensure services are performed according to the quality, quantity and manner specified in the contract. It must be ensured that work is proceeding on schedule, and that all work is completed and accepted by the Department before the contract expires.

### 2.5.1 Compliance Procedures

1. Insure that all federal or special regulations are adhered to.
2. Review progress reports and interim products for compliance with contract objectives and timeframes.
3. Review and approve invoices to substantiate expenditures for work performed.
4. Monitor MBE/WBE/DVBE or DBE participation goals.
5. Maintain contract documentation.
6. Notify appropriate personnel, if applicable, of any equipment purchases and ensure that property is tagged and inventoried prior to approving reimbursement of purchase costs.
7. Contact the Contracts Office for assistance when contract problems arise.
8. Determine need for contract amendment.
9. Verify that contractor has fulfilled all requirements of the contract.
10. Identify final invoice, approve as appropriate, and forward to Accounting for payment.
11. Complete Std. 4 Evaluation of Contractor form (Attachment B), if applicable.

## CHAPTER 2 - CONTRACT MANAGERS ROLE

### 2.5.2 Administration of Short-term, Lump Sum Contracts

A contractor's poor performance or use of poor quality materials must be dealt with immediately. Contract Managers must order correction by the contractor prior to payment. If the work is allowed to continue, remains in place or is completed, the implied message to the contractor is that the quality is acceptable and payment will be paid in full. Early intervention will enable Contract Managers to either correct the problem through the contractor or to place the contractor in default.

### 2.6 MBE/WBE/DVBE & DBE REQUIREMENTS

Public Contract Code Section 10115 and Military and Veterans Code Section 999 require that competitively bid, negotiated or sole source state funded contracts over \$10,000 for construction, professional services, materials, supplies, equipment, alteration, repair, or improvement shall have statewide participation goals of 15% for Minority Business Enterprises (MBEs), 5% for Women Business Enterprises (WBEs) and 3% for Disabled Veteran Business Enterprises (DVBEs). MBE/WBE firms must be certified by the Caltrans Division of Civil Rights by the time of bid opening in order to meet goals. DVBE firms must be certified by the DGS Office of Small and Minority Business by the time of bid opening in order to meet goals.

Additionally, Congress passed legislation in 1981 that required goals to be set for Disadvantaged Business Enterprises (DBEs) in all federally funded and partially federally funded contracts. DBE goals are normally set at 20% or are determined not to be required. Goals are established by the Contract Manager and the Division of Civil Rights/District Civil Rights Liaison regardless of amount of the contract.

It is the contractor's responsibility to make a sufficient portion of the work available to subcontractors and suppliers and to select those portions of the work or material needs so as to ensure meeting the established goals required in the contract. Bidders must indicate in the bid/cost proposal the percent of par-

ticipation expected to be attained. In the event of a prospective bidder's inability to meet the established goals, a Good Faith Effort (GFE) must be made.

### 2.6.0 Determination of Goal/Good Faith Effort

The Headquarters Division of Civil Rights or the District Civil Rights Liaison evaluates the goal attainment and/or Good Faith Effort for determination of award.

### 2.6.1 Monitoring of MBE/WBE/DVBE or DBE

For contracts containing MBE/WBE/DVBE or DBE provisions, Contract Managers are responsible for monitoring invoices to insure that prime contractors use the services of the MBE/WBE/DVBE or DBE subcontractors/suppliers identified in the fully executed contract. The Contract Manager must approve, in writing, any request for substitutions of any of the identified MBE/WBE/DVBE or DBE subcontractors/suppliers.

### 2.6.2 Monitoring Invoices for MBE/WBE/DVBE or DBE

All invoices must reflect services and dollars provided by the contract's specified subcontractors. In the event this information is not stated on the invoice, the contractor will need to be contacted to verify all subcontractor's names, dates, services and dollar amounts identified within the body of the approved contract.

### 2.6.3 Invoice Problems

Any legal problems related to the processing of a contractor's invoice should be referred to HQ Legal Services. If invoice problems relate to MBE/WBE/DVBE or DBE goal participation, contact the Division of Civil Rights or the District Civil Rights Liaison. Consideration may also be given to contacting the District/HQ Contracts Office for assistance.

Discussions related to invoice problems should be annotated in the contract file. If necessary, document action in correspondence to the contractor and retain copies.

# CHAPTER 2 - CONTRACT MANAGERS ROLE

## 2.7 CONTRACT TERMINATION

### 2.7.1 Contract Termination

Problems concerning the contractor's performance must be fully documented in writing and made part of the contract file.

When work under a contract is unsatisfactory, the Contract Manager notifies the contractor in writing by certified letter (with a copy to the Contract Officer) that they are not performing satisfactorily. The contractor is informed of why the work is not satisfactory and what corrective action is expected of them, and is given a specified period of time to improve performance.

In addition, the Contract Manager informs the contractor that if the problems are not corrected or if performance does not improve, the Department will terminate the contract. In such a case, the Department will have the work finished by another contractor, and the original contractor will be held liable for any additional costs.

If the unsatisfactory performance persists, the Contract Manager requests that the Contract Officer place the contractor in default. The Contract Officer reviews the documentation of the problem(s) to assure that it is appropriate to place the contractor in default. If such a determination is made, the Contract Officer sends a certified letter to the contractor notifying them that the contract is canceled and that \$500 has been assessed for administrative costs of rebidding the work. The contractor is also informed that they will be billed for actual damages at a later date.

If the Contract Manager and/or the Contract Officer are uncertain that there is sufficient cause to terminate the contract and assess damages, a legal opinion should be requested. In that case, the Contract Officer forwards documented unsatisfactory performance evidence to the Headquarters Contracts Office to obtain a legal opinion.

A representative of the Legal Office, after reviewing the case, makes recommendations for an appropriate settlement of the subject contract and, if appropriate, outlines the steps to be taken.



The Contract Manager must not authorize payment to the contractor for any work not performed satisfactorily.

### 2.7.2 Steps for Placing Contractor in Default

When a contract is terminated due to unsatisfactory performance, the contractor is placed in default.

1. Contract Manager notifies contractor in writing of unsatisfactory performance, with a copy to their contracts office.
2. If performance does not improve, the Contract Manager requests the Contracts Office to place the contractor in default.
3. Contracts Office reviews documentation. (If the problem cannot be resolved at the district level, the problem is referred to Headquarters Contracts.)
4. Contracts Office notifies the contractor in writing that the contract is canceled, and that they have been assessed \$500 for administrative costs.
5. Contracts Office sends a copy of the cancellation letter to the Accounting Office with a note asking them to prepare a bill and to let the contracts office know if the bill is paid.
6. Default information is entered into the default data base. The contractor is then ineligible for award of any other Caltrans contracts.
7. After the work has been awarded to another contractor, the contracts office sends a memo to the Accounting Office asking them to bill the defaulted contractor for the difference.
8. The default data base is updated.
9. If the contractor pays the bill, the Accounting Office notifies the contracts office.
10. The contractor is taken out of default.
11. The default data base is updated.

## CHAPTER 2 - CONTRACT MANAGERS ROLE

**NOTE**

If poor service is being received from a contractor and they have not been formally informed of the work performance expectations and the Contract Manager proceeds with a cancellation request, the Contracts Office will not authorize securing services of another contractor through the use of a Confirming Service Contract.

### 2.7.3 Contract Refusal

On occasion, the contractor may refuse to accept the contract or fail to return it within the specified time period. In these cases, the contracts office should contact the contractor and advise them that if the signed contract is not received within a specified number of days, the contractor will be assessed damages in accordance with the terms of the Information for Bid (IFB).

If the signed contract is still not received, the contractor is placed in default. The contract office sends a certified letter notifying the contractor that they have forfeited the contract and have been assessed a specified amount in damages. These damages are equal to 10% of the amount bid or the difference between the defaulted contractor's bid and the next lowest bid, whichever is less.

In the event that a contractor can document that the reason they have not returned a signed contract is because of a bonding or insurance problem, the contract should be awarded to the next lowest bidder without damages being assessed. In this case, it is important to not allow an exorbitant amount of time for the contractor to obtain bonds or insurance. This will only delay the timely award of the contract. An acceptable type of documentation of a problem obtaining insurance or bonds would be a letter from the contractor's insurance or bonding company that the required bonds or insurance could not be issued or that the request was still in process.

A contractor who is awarded a contract on a sole source basis or as a result of a Request for Proposal (RFP) cannot be placed in default or assessed damages for refusal to sign a contract. In these cases, if the contract is not returned within the specified number of days, the contract office or Contract Man-

ager should call the contractor to persuade them to sign the contract and return it promptly. If the contractor refuses to sign the contract (for a contract awarded pursuant to an RFP), the requester should consider offering the contract to the next lowest responsible bidder.

### 2.7.4 Steps for Contract Refusal

A contractor's refusal to sign a contract puts them in default. The steps for contract refusal are:

1. If the contract is not returned within the specified number of days, the contract office contacts the contractor and advises him/her to return the contract, or damages will be assessed once the default is recorded.
2. If the signed contract still is not returned or the required bonds and/or insurance forms are not submitted, the contract office sends a certified letter to the contractor annulling the award and assessing damages.
3. The contract office also sends a copy of the above-mentioned letter to the Accounting Office with a memo requesting that the contractor be billed.
4. Default information is entered into the default data base.
5. If the contractor pays the bill, the accounting office notifies the contract office of payment.
6. The contractor is taken out of default.
7. The default data base is updated.

## 2.8 MONITORING EXPENDITURES

Although sufficient funds should be encumbered at the time the contract is approved, contracts must be monitored continuously by the Contract Manager to ensure that there are sufficient funds available to pay for each invoice. Every contract contains provisions which outline the method of payment to the contractor whether it is monthly, in arrears, lump sum, progress, etc.

# CHAPTER 2 - CONTRACT MANAGERS ROLE

## 2.8.1 Authorizing Payment

Request that the contractor submit invoices in a timely fashion and promptly review and forward invoices to Accounting for payment.

Contractors should submit invoices in triplicate on their letterhead stationary or invoice form, and upon receipt, the Contract Manager may complete a Receiving Record (Appendix C of the manual) for submission with the invoice to the Accounting Office. Deductions should be made for unsatisfactory work, and payment to the contractor should not be authorized if the work has not been completed to the Contract manager's satisfaction.

Verify and approve all invoices before submitting them to Accounting for payment. Your signature/ approval certifies that all work was satisfactorily performed according to the provisions of the contract, and that all charges are appropriate. (To verify is to prove or substantiate the charges either by on-site inspection of services rendered, via written/ verbal communications, or comparative analysis of work orders versus invoices.)



**In the event MBE/WBE/DVBE or DBE goals are included in the contract, invoices must reflect charges according to contract requirements.**

## 2.8.2 Reviewing Invoices

Review funding information on the contract to ensure all figures are correct, and that sufficient funds are appropriated for the current fiscal year. If funds are not encumbered by June 30 of the fiscal year, the money reverts back and is no longer available.

Encumbered funds are available for the current fiscal year plus two (2) additional years, AND as long as the contract was not expired when the services were performed. (Example: Funds encumbered in 89/90 are still available in 1992 for a late invoice for services performed during the life of the contract. However, funds are not available for invoices for work done after the expiration of the contract.)

1. Review invoice to be sure it contains all required information including any supporting documentation necessary.

All invoices should contain:

- Contractor's name, address and telephone number
- Contract number
- Invoice date
- Description of service (should closely match the description found in the contract since the accounting office or the Controller's office will return invoices if they don't match contract content)
- Dates services are performed
- Amount to be paid (should match the contract, i.e., if the contract specified "annually in arrears", invoices cannot be approved if a monthly invoice presented 20 days after the start of the contract is received). Consistency with a contract and its cost proposal (where applicable) should be established. If major errors or omissions are found in the invoice, they should be returned for revision.



**Any missing information must be obtained from the contractor and written on the invoice noting the employee's name and phone number who verified or provided the needed information.**

2. Review the invoice for accuracy. Verify that the invoice is not a duplicate that has previously been paid. Cost rates are limited to those annotated in the contract or cost proposal (where applicable). Check all mathematical calculations for accuracy.
3. Conduct a technical review of the invoice, when necessary, to determine the reasonableness of charges and hours worked. This evaluation is based on the deliverables of the contract.
4. Review MBE/WBE/DVBE or DBE requirements in contract and determine if invoices reflect percentages and dollar amounts of subcontractors.

## CHAPTER 2 - CONTRACT MANAGERS ROLE

### 2.8.3 Tabulating Expenditures

Contract Managers are responsible for monitoring expenditures on all contracts. The Contract Manager must keep a running tally of charges and costs to maintain a constant status of a contract's available funds. The tally should track estimated and actual hours worked, and any applicable direct costs. To maintain this "tally", a spreadsheet or ledger page should be prepared at the time of the contract award. The spreadsheet can be as simple or as complex as the contract requires. At a minimum, the following information should be reflected on the spreadsheet:

- *Contractor's name*
- *Contract number*
- *Amount of contract*
- *Description of services*
- *Columns to deal with those areas to be specifically invoiced, i.e., rate per hour, time, materials, travel, MBE / WBE / DVBE or DBE requirements*
- *Total amount of contract less each invoice approved for payment.*

When invoices are received, a comparison of invoice items can be made against the contract spreadsheet. If all information is accounted for and is correct, write "approved for payment", sign, and date each copy of the invoice. Each copy must have an original signature. Prepare a route slip to Accounting and forward with invoices and any other applicable documentation.

A copy of each invoice and any back-up documentation should be retained in the Contract Manager's contract file. If an electronic file is being used, invoice information should be entered.

As deductions from a contract's total are made, it should be apparent if an amendment will be necessary prior to the contract's expiration. This running balance allows for the expeditious handling of amendments.

### 2.8.4 Timeliness of Invoice Processing

All invoices should be date stamped upon receipt. Approval should be completed within 20 days. After 20 days, Accounting automatically assesses interest and charges it to the appropriate departmental budget. The period before interest is assessed can be extended if both parties agree, and the period is stated in the "Payment" section of the contract. Accounting can be contacted for up-to-date information on interest assessments.

### 2.8.5 Board of Control Claims

When invoices for services are received that cannot be paid, for whatever reason, the only method of payment available to contractors is via the State Board of Control. The Accounting Office can be contacted to determine the process used. Invoices submitted to the Board of Control, if approved, may take up to three years for payment. There is always the chance that the claim will be denied. The contractor should be kept informed of any information received related to his/her claim.



**Because of the timeframe for processing Board of Control claims, and the potential for non-payment, do not authorize a contractor to perform work that is not authorized under the contract.**

To avoid sending a contractor to the Board of Control, never authorize the performance of services outside of a contract's scope of work or beyond the termination date, unless a contract amendment reflecting the additional services, etc. was written, signed and approved by the delegated authority (Contract Officer and/or the DGS).

## 2.9 INDEPENDENT CONTRACTOR EVALUATION

The Internal Revenue Service (IRS) has determined that in some Caltrans consultant service/personal service contract( contracts with individuals, as opposed to companies or firms) the contractor is not functioning as truly independent contractor, but rather as a Caltrans employee. When the IRS makes this determination on a given contract, Caltrans is assessed penalties and required to withhold taxes.

## CHAPTER 2 - CONTRACT MANAGERS ROLE

To avoid this problem, Accounting has prepared a worksheet for determining whether a prospective contractor is truly an independent contractor. (See Attachment D, IRS 20 Common Law Factors.)

When requesting a service contract, the required work must be structured in such a way that the factors clearly delineate independent vs. employee status. It is the Contract Manager's responsibility to make this determination.

### 2.9.1 Procedure for Determination of Independence

Before entering into a contract, the Contract Manager must determine that the service being requested is to be performed in a fashion consistent with how an independent contractor works. Analyze the services required in relationship to the 20 IRS Common Law Factors noted in Attachment B. If your analysis and review reveal the contractor is **NOT** independent, you have three options:

- Take steps to establish independence.
- Hire as an employee.
- Choose another contractor.

If your analysis and review reveal the contractor is independent, the contract process may continue.

Once the contract is executed and the contractor is providing services, be sure that the contractor continues to be treated as an "independent contractor" throughout the term of the contract.

## 2.10 CLOSE-OUT OF SERVICE CONTRACTS

It is the Contract Managers responsibility to close out the contract file. This may consist of, but is not limited to: disencumbrance of funds, evaluation of the contractor, authorizing final payment of invoices and, if applicable, requesting renewal of the contract.

### 2.10.1 Contractor Evaluation

A Std. Form 4 is prepared for all consultant service contracts of \$5,000 or more and is to be returned to the appropriate contract office within 60 days of completion of the contract. In those cases of negative

findings, the Std. 4 must be routed to the district contracts office within 5 days of completion of the contracted services. The district contracts office routes copies of all **negative** Std. 4 Contract/Contractor Evaluations to Headquarters Contracts Office for forwarding to the DGS Legal Office. Contractors must be informed in their contracts that their performance will be evaluated.

Copies of negative evaluations must be mailed to the contractor within 15 days of completion of the contracted services. The contractor has 30 days to respond to a negative evaluation.



**Required retention for copies of completed Std. 4's is 36 months. Since they are not public documents, they should be maintained in a separate central file.**

Only consultant/personal services contractors receive an evaluation. All other service contracts are exempt from the evaluation process.

### 2.10.2 Authorizing Final Payment

Upon receipt of the apparent final invoice, contact the contractor to determine if any additional invoices will be forthcoming. If additional invoices will be sent, determine when they are expected to arrive. Follow up with the contractor, as necessary, to finalize payment. Write "Final Payment - Approved," sign and date each copy of the invoice, make a copy for the contract file, and forward to Accounting for payment.

### 2.10.3 Disencumbrance of Funds

At the point of a contract's completion, disencumber any remaining funds after contacting Accounting for the specific figures. Prior to disencumbering funds, call the contractor to determine if there are any outstanding invoices against the contract that have not been forwarded for payment. (Sometimes final invoices are sent one or two years after contract expiration due to company buy-outs, name changes, etc).

A memo should be sent to Accounting indicating the contract number, contractor's name, funding infor-

## CHAPTER 2 - CONTRACT MANAGERS ROLE

mation including source, charge, expenditure authorization (EA), special designation and object codes. Indicate the amount to be disencumbered. Remember, once funds are disencumbered, they cannot be retrieved if the fiscal year for which they were encumbered has expired. A copy of the disencumbrance memo should be retained in the contract file.



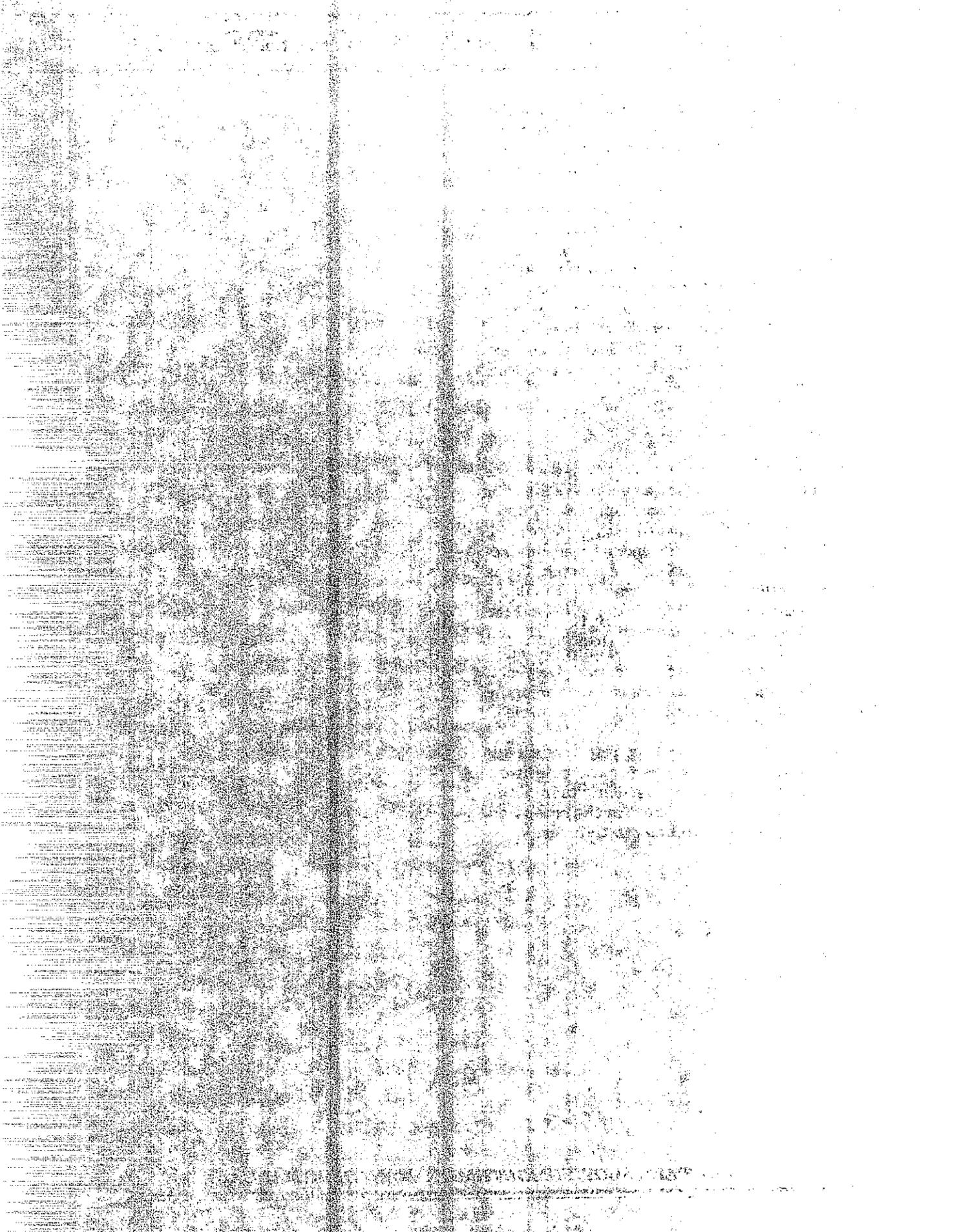
**Funds must be disencumbered far enough in advance so that they may be re-encumbered for other services or purchases prior to June 30th. These funds will be lost unless expended under the contract before contract expiration.**

### 2.10.4 Contract File Close-out

For an electronic contract file, input final documentation information—it becomes an inactive file. For a conventional file, make a notation that all documents are complete, that all invoices have been paid, and that Accounting has disencumbered any remaining funds. At this point, the contract file is considered closed out. The contract file should be retained by the Contract Manager for at least three years after last payment is made (per SAM 1225 and G.C. 10532). Departmental policy requires an additional two year's retention for a total of five years. Files may be sent to the State Archives Center for the Department's required additional two-year period.



**Departmental policy requires an additional two years for the retention of contract records. This brings the total years required for the retention of contract records to five years.**



# CHAPTER 3 - REQUESTING A SERVICE CONTRACT

## 3.1 PROCESS, LEAD TIME & AUTHORIZED SIGNATURES

### 3.1.1 Process

1. Determine the need for contracted services.
2. Contact the Contracts Office to determine if there is an existing contract already in effect for the desired services.
3. Decide when the contract is to begin and end.
4. Estimate the amount of the contract.
5. Contact Resource Manager to determine if funding is available.
6. Prepare a clear, specific, detailed description and/or scope of work.
7. Prepare a Contract Request form (360) in full. Obtain required approving signatures (Section 3.1.3 Authorized Signatures). Submit Contract Request form to the Contracts Office.
8. Work closely with the Contracts Office to assure an expeditious processing of your contract request. If unclear as to process or requirements, call the Contracts Office for information. If the Contracts Office is unclear about the request, they will make contact for clarification.
9. If a contract request is for sole source approval and/or an amendment, the Contracts Office will determine if all required documentation has been received. If so, they will prepare the contract, obtain all necessary signatures and then have the contract fully executed.
10. Once the Contracts Office has prepared the IFB/RFP and the responsible bidder has been determined, the Contracts Office will prepare the final contract, obtain all necessary signatures and then have the contract fully executed.
11. When the responsible bidder has been determined, the Contract Manager should contact the awardee to be sure that all provisions of the contract are clear.

### 3.1.2 Estimated Lead Time

It is estimated that **five working days** are necessary to determine the services required, assure funding availability, complete the Contract Request form (360), obtain signature approvals and submit a contract request to the Contracts Office.

**Three working days** are necessary to receive, process, log in and assign a contract request to the Contracts Analyst/Writer responsible for processing the contract.

**Thirty to ninety + working days** are required to advertise/request exemption, prepare proposed contract, conduct bid opening, determine responsible bidder, award contract, obtain all necessary signatures, submit to the DGS (if applicable), approve and execute a contract.



The above are an estimate of **working days** required to process a contract. They do not reflect the number of days necessary to clarify services, or to obtain additional documentation, approvals /signatures or to resolve problems.

### 3.1.3 Authorized Signatures

All requests for contract services must be authorized by those having delegated responsibility. At Headquarters, a list of authorized signatures is kept on file in the Contracts Office. Those Contract Requests (form 360s) received in the Contracts Office without an "authorized" signature are returned to the requester. District contracts offices should follow the same procedure.

#### CONTRACT REQUEST FORM APPROVAL PROCESS:

##### I. Contracts (including amendments) Requiring the DGS Approval.

HQ: Authorized signature on file in contracts office.

Districts: District Deputy Director with functional responsibility.

\*Justification for sole source contracts must be provided to Service Contracts Office by Contract Managers.

# CHAPTER 3 - REQUESTING A SERVICE CONTRACT

## II. A&E Contracts (including amendments) Requiring the DGS Approval.

HQ: Authorized signature on file in Contracts Office.

Districts: District Deputy Director with functional responsibility.

## III. All Other Contracts (Except Confirmings) Not Requiring the DGS Approval.

HQ: Authorized signature on file in Contracts Office.

Districts: Contract requester's designated supervisor.

FORMAT: Signatures can be placed on the Contract Request (form 360), Approval Sheet (form 363), or on the Contract Face Sheet (District Contracts only).



**Under NO circumstances can the person requesting a contract be the signatory authority for approving the request!**

### 3.2 RECRUITING CONTRACTORS

It is incumbent upon the Contract Manager to provide the Contracts Office with a list of potential bidders. Do not rely upon the California State Contracts Register (CSCR) for a listing of bidders. Outreach should be used in addition to the CSCR, and may consist of the following:

- Contacting the DGS Office of Small and Minority Business.
- Contacting the Caltrans Division of Civil Rights.
- Contacting other state agencies or Caltrans districts for names of contractors providing similar services.
- Referring to the telephone directory.
- Referring to trade papers/union papers.
- Participating in job fairs.

- Contacting the Better Business Bureau and similar associations.

The above listing is not all inclusive. The more effort put into soliciting businesses to participate, the better chance for a variety of bids. The more bidders available, the better the chance for a job well done at a reasonable price.

The only businesses precluded from submitting bids on any Caltrans contract are businesses placed in default by Caltrans or the DGS.



**No contractor may be excluded from bidding because of their "reputation" or because Caltrans has had a bad experience with them in the past. No IFB or RFP may be written so as to exclude any prospective bidder.**

### 3.3 MBE/WBE/DVBE OR DBE REQUIREMENTS

#### 3.3.1. MBE/WBE/DVBE

Public Contract Code Section 10115, et seq., and Military and Veterans Code Section 999, et seq., mandate statewide participation goals for Minority Business Enterprises (MBEs), Women Business Enterprises (WBEs), and Disabled Veteran Business Enterprises (DVBEs). Contracts that are competitively bid, negotiated or sole source, are 100 percent state funded, and are over \$10,000 for construction, professional services, materials, supplies, equipment, alterations, repair, or improvement have statewide participation goals of 15% (MBEs), 5% for (WBEs) and 3% for (DVBEs). These goals apply to the overall contract dollar amount expended by this department. (See Attachment E for MBE form.)

#### 3.3.2 DBE

Part 23 of Title 49 of the Code of Federal Regulations requires that the state establish goals for disadvantaged business enterprises (DBEs) for any contract containing federal funds. In federally funded contracts, the goal may be set by the Contract Manager at any amount depending upon the subcontracting opportunities. Federally funded and partially federally funded contracts may have no goals established.

# CHAPTER 3 - REQUESTING A SERVICE CONTRACT



**DBE\MBE\DVBE and WBE cannot be combined.**

### 3.3.3 Certification/Application for Certification

MBE/WBE firms must be certified by the Caltrans Division of Civil Rights by the bid/cost proposal or A&E Statement of Qualifications (SOQ) submittal due date. A copy of the certification must be submitted with the bid/cost proposal.

MBE/WBE firms interested in certification as a Caltrans MBE/WBE should contact the Division of Civil Rights, Department of Transportation, Box 942874, Sacramento, CA 94274-0001, (916) 654-4576 to obtain application forms.

DVBE firms must be certified by the DGS Office of Small and Minority Business (OSMB) by the bid opening date. A copy of the certification from OSMB must be submitted with the bid/cost proposal or SOQ.



**Self-certification or certification by another state/local agency cannot be accepted by Caltrans for MBE/WBE or DBE. There is no self-certification or certification by another state/local agency for DVBE.**

### 3.4 SMALL BUSINESSES

In order to assist small businesses in doing business with the state, it is the Contractor Manager's responsibility to share information with small businesses regarding the 5% small business preference given to certified small businesses on all competitively bid services, consultant services, and public works contracts.

The California Government Code requires that a five percent preference be given to proposers who qualify as a small business. To qualify for and claim the small business preference, which may not exceed \$50,000 for any proposal, firms must have their principal place of business located in California, have a complete application (including proof of annual receipts) on file with the State Office of Small and Minority Business by 5:00 p.m. on the date bids are opened, and be certified or verified for certification by such office.

Questions regarding the preference approval process should be directed to the Office of Small and Minority Business at (916) 322-7122.

The 5% preference is used only for the purpose of determining the successful bidder; it does not alter the amounts of the actual bids. The total amount of a contract awarded as a result of the application of the 5% preference is based on the actual amount bid.

To meet this requirement, the Service Contracts Office places provisions related to the small business preference in all IFBs and RFPs. This requirement does not apply to EDP and telecommunications contracts awarded using an RFP or to contracts involving federal funds.

A sample of the application of the 5% small business preference follows:

FIRM	BID AMOUNT	SMALL BUSINESS	CERTIFIED
Bidder A	\$30,750	Yes	No
Bidder B	\$28,975	No	No
Bidder C	\$29,520	Yes	No
Bidder D	\$29,870	Yes	Yes

Bidder B, a non-small business, has submitted the lowest responsible bid, and if the 5% preference were not involved, would be awarded the contract. However, Bidder D has claimed the small business preference, has been verified by the Office of Small and Minority Business, and is entitled to a 5% preference. 5% of the low bid (Bidder B) is \$1,448.75 (5% X \$28,975). That amount is subtracted from D's bid for an adjusted bid (for comparison purposes only) of \$28,421.25 (\$29,870 - \$1,448.75). Since D's adjusted bid is lower than Bidder B's bid, Bidder D is awarded the contract for a price of \$29,870.00.

It is very important that prospective bidders understand this information so that the required forms are correctly filled out. It is the Service Contracts Office's responsibility to verify with OSMB that a prospective bidder requesting the small business preference is in fact a certified small business.

# CHAPTER 3 - REQUESTING A SERVICE CONTRACT

## 3.5 SOLE SOURCE CONTRACTS

### 3.5.1 Definition

A sole source contract is a contract that is entered into without benefit of having obtained competitive bids or proposals.

### 3.5.2 Departmental Policy

The Department's policy is to eliminate or reduce sole source contracts (See P&P 91-3). The competitive bidding process will be used on all contracts for goods and services unless there is a specific exemption by the District Director, or the HQ functional Division Chief, or where there is a statutory exemption.

The District Director or the HQ functional Division Chief is required to ensure that contracts are competitively bid. Exceptions should only be considered after every possible alternative is explored and thoroughly documented. A letter must be placed in the contract file detailing the reasons for sole source with respective approvals. This responsibility cannot be delegated.

In the case of statutorily exempt contracts, it is the responsibility of the District Director or the HQ functional Division Chief to ensure that the exemption is properly applied.

### 3.5.3 Authorized Sole Source Contracts

Sole source contracting is authorized only in the following cases:

- Emergency contracts that are necessary for the immediate preservation of the public health, welfare, or safety, or protection of state property.
- Contracts that have been advertised in the Contracts Register and for which all known potential contractors were solicited, but less than three bids or proposals were received.
- Contracts with a state or federal agency or with a local governmental entity.
- Contracts for the work or services of an auxiliary organization of the California State University, an auxiliary organization of a California community college, or a foundation organized to support the Board of Governors of the California Community Colleges.
- Contracts that are temporary or time-limited appointments to a non-testing civil service classification for the purpose of meeting a time-limited employment need. Selection and compensation for these appointments shall be made in accordance with state civil service requirements.
- Contracts that can only be performed by a public entity as defined in subdivision (b) of Section 605 of the Unemployment Insurance Code.
- Contracts under \$5,000 for which only per diem and travel expenses are paid and there is no payment for services rendered.
- Contracts solely for the purpose of obtaining expert witnesses for litigation.
- Contracts for legal defense, legal advice, or legal services.
- Contracts with business entities operating handicapped workshops, which meet the criteria established by Section 19404 of the Welfare and Institutions Code.



**Justification for sole source contracts must be provided to Service Contracts Office by Contract Managers.**

### 3.5.4 Exemption from Competitive Bidding Requirements

In addition, contracts are exempt from competitive bidding requirements in those cases where the DGS, at its sole discretion, has determined that there is but a single source for the services or the state's interests are better served by an exemption. There are three ways in which this can be accomplished.

# CHAPTER 3 - REQUESTING A SERVICE CONTRACT

1. The DGS has exempted broad categories of contracts from the competitive bidding requirement. These categories are listed below.
  - a. Services for which the state has entered into a master service or rental contract.
  - b. Subvention contracts (non-discretionary grants) with a private or nonprofit entity for the purpose of providing services to the public or segments thereof.
  - c. Maintenance agreements for equipment under documented warranty, or where there is only one authorized or qualified representative, or where there is only one distributor for parts and services in the area.
  - d. Refuse and/or sewage disposal contracts where there is no competition because they are the authorized franchise dealers providing services to a specific geographic area.
  - e. Medical care services with physicians, local community hospitals, and medical groups (related offsite laboratory services are not included).
  - f. Proprietary software contracts.
  - g. Leases or rentals for use as examination sites.
  - h. Entertainment contracts for state-sponsored fairs and expositions.
2. The DGS can grant sole source authorization to individual state agencies for specified types of contracts.
3. The DGS can authorize sole source on a case-by-case basis. Requests for sole source authorization must be submitted by the Contract Officer on a Std. 821, "Request for Exemption from Contract Advertising" to the Office of Procurement, DGS. Contracts for which the DGS approves a the Std. 821 for sole source authorization are listed in the Contracts Register, and the agency is charged a nominal handling fee.

## 3.5.5 Sole Source Exemption Process

The Contract Manager will need to provide all relevant information about the project detailing the circumstances surrounding the need to request a sole source contract. Explain why the requested contractor is the only one that can perform the work. Explain how going through the competitive bidding process will have a negative impact on the program, and what critical failure will result if the contract is competitively bid. Included with this explanation will be the approval signature of either the District Director or the HQ Division Chief with functional responsibility.

The Contract Manager should develop, in writing, the justification for sole source contracting and submit it to the Contracts Office. The Contracts Office must prepare a Std. 821, Sole Source Exemption Request, for submission to the DGS for approval. EDP related requests are sent to the DGS EDP Procurement and non-EDP requests are submitted to the DGS Procurement.



**The Department's policy is to eliminate and/or reduce Sole Source Contracting. (See P&P 91-3.)**

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# CHAPTER 4 - EXECUTION OF A SERVICE CONTRACT

## 4.1 ADVERTISED CONTRACTS

Once the Service Contracts Office has determined that a service contract is justified, a Contracts Analyst/Writer is assigned to prepare the final document. The Contracts Analyst/Writer will work closely with the Contract Manager to ensure that any special provisions or technical directions are adequately covered in the description/scope of work so that prospective bidders/contractors can accomplish the contract requirements.

### 4.1.1 Advertised Contracts

Service, consultant service (including A&E) and construction (i.e., public works) contracts with a dollar value of \$1,000 or more must be advertised in the California State Contracts Register (CSCR).

Contracts for highway equipment rental and R/W clearance/demolition must be advertised in accordance with the Streets & Highways Code. Accordingly, contracts in excess of \$2,500 must be advertised in the CSCR.

Contracts in excess of \$1,000 (or \$2,500 for R/W Clearance/Demo and highway equipment rental) are advertised for a minimum of two weeks. Contracts estimated to be \$10,000 or more may have to be advertised for a longer period (generally 4-6 weeks). This time period is to accommodate contractors in obtaining MBE/WBE/DVBE or DBE goals or in demonstrating good faith effort.

The Contracts Office prepares a Std. 815, "Advertising in the Contracts Register". It is forwarded to the Office of Small and Minority Business where it is placed in the next published CSCR.

During the advertisement period, a draft bid package is prepared and forwarded to the Contract Manager for review and approval. The exception might be those bid packages which are routine in nature.

After final changes are made, the bid package is reproduced and sent to prospective bidders. Under no circumstances is a bid package be sent out prior to public notification in the CSCR.



**Under no circumstance is a bid package, in draft or final form, to be given out prior to its distribution to all potential bidders. To do so will give the appearance of giving a competitive edge, which may result in having to reinitiate the entire advertising and bidding process.**

### 4.1.2 Bid Opening & Award

When Invitations for Bid (IFB) are opened, an "apparent low bidder" may be announced. However, the contract is not awarded until the bids have been checked and the low bidder's bid amounts, qualifications and licenses have been verified. This process includes DBE and MBE/WBE/DVBE requirements. The contract is then awarded to that entity that is determined to be the lowest responsible bidder.

When Requests for Proposal (RFP) are opened, the contract is awarded to the lowest responsible bidder, and a "Notice of Intent to Award" is posted for five (5) working days.

It is not mandatory for the Department to award a contract. If, after bids are received, the requesting unit decides not to contract out or rejects all proposals, all bidders are notified in writing of the Department's decision.

If the IFB or RFP is awarded, the Contracts Analyst/Writer prepares the final contract for signature and approval. In most districts, the contract is forwarded to the District Accounting Office for formal encumbrance and then to the contractor for signature. At HQ, the contract is forwarded to the contractor for signature and then forwarded to Accounting for the encumbrance of funds.

After obtaining the contractor's signature and formally encumbering the contract funds, the Contract Officer's signature is obtained. Once the Contract Officer's signature is obtained, the contract is considered a fully executed and approved contract, and is distributed to all necessary parties, unless DGS approval is required. If the contract requires the DGS approval, it is forwarded to them for approval and execution. Upon return from the DGS, the fully executed, signed contract is distributed to all necessary parties.

# CHAPTER 4 - EXECUTION OF A SERVICE CONTRACT

## 4.1.3 Steps in IFB Process

In general the steps involved in the IFB process are as follows:

1. Advertise IFB.
2. Release IFB to interested parties.
3. Document and retain list of recipients of IFB.
4. Receive sealed bids by established due date.
5. Publicly open and read bids aloud at the time, place and date stated in the IFB.
6. Prepare bid summary sheet.
7. Review and evaluate bids for responsiveness, accuracy and reasonableness of cost.
8. Award contract to the lowest responsible bidder.
9. Notify unsuccessful bidders.
7. Open proposals and review for compliance with RFP requirements.
8. Evaluate proposals (selection committee).
9. Publicly open sealed cost proposals at time, place and date stated in RFP (two-envelope method only).
10. Post "Notice of Intent to Award".
11. Notify unsuccessful proposers.
12. Award contract.

## 4.1.4 Steps in RFP Process

In general, the steps involved in the RFP process are as follows:

1. Advertise RFP.
2. Document and retain list of RFP recipients.
3. Release RFP to interested parties.
4. Receive written questions.
5. Answer questions.
  - a. Send written responses to all recipients of RFP.
  - b. Hold proposers conference and send transcript to all recipients of RFP.
6. Receive sealed proposals by established due date.

## 4.2 UNADVERTISED CONTRACTS

A contract may be executed on a verbal bid basis, if the following two conditions exist: 1) the contract is less than \$1,000, or 2) the contract is otherwise exempt from advertising. Three bids are to be requested for all contracts costing \$500 or more. At least one of these should be a DBE on federally funded contracts or an MBE/WBE/DVBE on state funded contracts. A Confirmation of Verbal Bid (See Attachment F) must be completed for the awardee as well as for all other verbal bids, and should be provided to the Contracts Office.

Emergency contracts, for any amount, are exempt from advertising, and verbal bids are desired, but not required.

### 4.2.1 Informal Bid

In an informal bid there is no established bid opening date and time. Bids may be solicited and received verbally or in writing. The informal bid process can be used when an exemption from advertising has been approved by the OSMB, when the dollar amount of the contract is estimated to be less than the advertising threshold (\$1,000), or in emergency situations.

Before requesting a bid by telephone, prepare a clear, concise statement of work to ensure that each bid received is for the exact same service/work. A factor to be considered before deciding to ask for verbal bids is the type of specifications involved. If the specifications are numerous, complicated or technical, verbal bids should be avoided. In no instance

## **CHAPTER 4 - EXECUTION OF A SERVICE CONTRACT**

should a verbal bid from one bidder be divulged to other bidders prior to award of the contract.

### **4.2.2 Steps for Informal Bid Process**

The steps involved in the informal bid process are as follows:

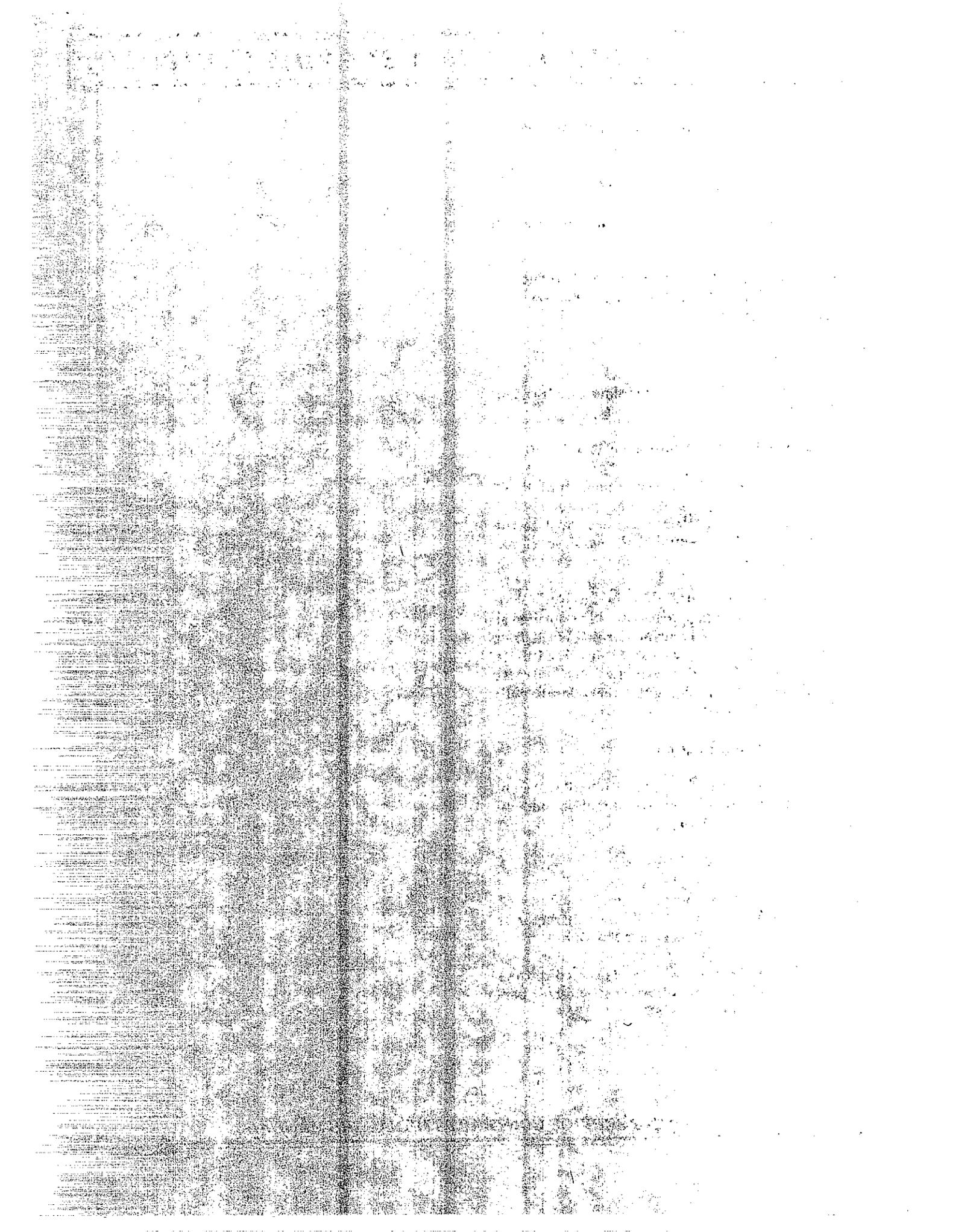
1. Contact prospective bidders (including DBE or MBE/WBE/DVBE) making clear the requirements/statement of work.
2. Ask for bid/quote.
3. Explain the Drug-Free Workplace Certification process.
4. Obtain written Confirmation of Verbal Bid.
5. Award contract to the lowest responsible bidder.
6. Submit a Contract Request (Form 360) to the Contracts Office including all required signatures/approvals.

In the event that the informal bid is the result of an emergency, the Contracts Office should be notified at the time of emergency or on the morning of the first work day after the emergency so a contract number can be assigned. This will also allow for a Contracts Analyst/Writer to be assigned to work closely with the Contract Manager.

### **4.2.3 General Information**

In addition to the specific steps stated above, Contract Managers should inform prospective bidders/contractors of the following:

1. The state cannot pay in advance.
2. It may take up to six weeks after invoice receipt before payment is made (unless contractor is certified by the DGS as a small business.
3. The payment process will be expedited to take advantage of discounts of at least one-half percent if noted on the invoice.



# CHAPTER 5 - CATEGORIES OF CONTRACTS

## 5.0 CONTRACT SERVICES

The Contract Manager must determine the category of contract necessary and work with the Service Contracts Office to determine the type of bidding procedure necessary to get the required services into contract form.

There are three basic categories of service contracts that Contract Managers will be responsible for: Confirming Service Contracts, Emergency Service Contracts and All Other Service Contracts (including annual and/or renewal contracts). There are a wide variety of services required which may fall into any one of the above three categories.

### 5.0.1 Types of Services Included

1. Commercial Contracts
2. Interagency Agreements
3. Personal Services/Consultant Services (including A&E)
4. Highway Equipment Rental
5. Safety Roadside Rest
6. Right of Way
7. EDP and Telecommunications

### 5.0.2 Types of Services Not Included

The following principal kinds of contracts are not included in this manual since the Departmental Contract Officer does not have delegated responsibility or direct accountability for them.

1. Public works contracts over \$44,000 that fall under the authority of the State Contract Act.
2. Contracts for procurement of material.
3. Agreements for lease or rental of office space or resident engineer offices, including trailers and modular units.

## 5.0.3 Materials vs Services

Care must be taken when determining the proper process for procurement of a commodity. If 50% or more of the total expenditure is service or labor as opposed to the product, a service contract should be written. In those instances where the product is 50% or more of the total expenditure, a procurement should be made. When in doubt, contact the Service Contracts Office.

## 5.1 CONFIRMING CONTRACTS

The confirming service contract provides a shorter method for procuring services than is required in the standard contract process. If the services are for less than \$1,000 and of a general non-repetitive nature, a confirming service contract can be prepared and executed.



**CAUTION: A confirming service contract is not to be used to split the required work to avoid the normal contract process.**

If it is anticipated that **more than 4** contracts with the same contractor or for the same will be needed in a 12 month period, an annual service contract must be written.

### 5.1.1 Confirming Contract: Form ADM-1414

This document can serve as a local request, contract, invoice, and receiving record.

### 5.1.2 Appropriate Use of Confirming Contracts

- The cost of the services are less than \$1,000.
- The services are needed on an occasional basis.
- If the same services are provided by a contractor for the same unit **no more than 4 times in a year.**
- The work is not of a repetitious nature. For example, confirming contracts cannot be used to pay for monthly rental of computers.

# CHAPTER 5 - CATEGORIES OF CONTRACTS

- The work is not already covered by an existing blanket contract.
- The work is not already covered by an existing contract. For example, work provided under a service contract cannot be extended/continued through use of a confirming contract.
- The work is to be provided over a short period of time (less than 30 days).
- Personal services.

## 5.1.3 Work Generally Not Appropriate for Confirming Contracts

1. Work of a hazardous nature (unless all licensing and insurance requirements are met prior to the work being performed and, which are attached to the 1414).
2. Work split among multiple confirming contracts where the intent is clearly to avoid the need for a regular service contract.
3. Work costing \$1,000 or more

## 5.1.4 General

A contractor's license is required for confirming contracts for construction type or building trades services over \$300 in accordance with Business and Professions Code Section 7048. Prior to the award of the contract, the Department verifies with the Contractor's State License Board that the bidder is licensed in a classification appropriate to the work to be undertaken.

Any contract of a hazardous nature, one which may involve risk of injury or damage to persons or property, shall protect the state against liability by requiring the contractor to carry public liability insurance. Prior to execution of the contract, the contractor must furnish a certificate of insurance that states that the contractor currently has liability insurance in effect.

## 5.1.5 Procedures

1. The employee requesting services calls the Contracts Office for approval to contract prior to

securing services. The Contracts Office must check the CSCR to determine if the contractor is on the list of individuals and organizations whose contracts or grants have been canceled due to failure to fulfill the requirements of SB 1120 (Drug-Free Workplace Certification). The requester/administrator is advised accordingly.

2. It is not necessary for the requester to secure bids for work below \$500. The requester must secure informal competitive bids for work between \$500 and \$1,000 unless sole source is specifically justified. Telephone bids are sufficient. Alternate bids must be listed in the **appropriate** section of the Confirming Service Contract Form ADM 1414. (See Attachment G.)

To meet MBE/WBE/DVBE requirements, the contract requester is responsible for contacting no less than one firm on the Caltrans Certified List of MBE\WBE\DVBE and DBE Firms, and providing documentation of that contact to the contracts office.

To meet drug-free workplace requirements, the Contract Manager must explain to the prospective contractor the requirements of Government Code 8350-8353, the Drug-Free Workplace Act of 1990. If the contractor agrees, the Contract Manager secures contractor's signature on the Std. 21, Drug-Free Workplace Certification form (Attachment H). The Std. 21 is attached to the Confirming Service Contract and forwarded to the Contracts Office.

3. The Confirming Contract may be written by the person/unit receiving the services or by the contract office. In either case, the confirming contract must be dated the same day or prior to the day work is started.
4. If an invoice is NOT being submitted separately, the contractor must sign the 1414 on the "CONTRACTOR SIGNATURE" line.
5. The person receiving the services or an authorized representative from the requesting unit, signs the 1414 on the "APPROVAL RECOMMENDED" line.

# CHAPTER 5 - CATEGORIES OF CONTRACTS

6. The contract officer signs the 1414 on the "APPROVED" line. Only the top copy of the 1414 carbon set needs to be signed since only one wet-ink signature is required. It is the contract officer's responsibility to be sure a Std. 21, Drug-Free Workplace Certification is attached to the Confirming Service Contract form.
7. Certification of funds is not required.
8. The fully-approved confirming contract, and signed drug-free workplace certification is forwarded to the Accounts Payable Unit/Accounting Office by the contracts office, along with the invoice if appropriate.
9. Copies of confirming contracts are retained in the contract office file. Confirming contracts may be filed with the regular contracts or separately.
10. Because of the payment requirement that bills be paid within 20 days of the invoice date, confirming contracts should be processed expeditiously at all stages.

## 5.1.6 Completion of ADM-1414

Complete the Confirming Service Contract form in its entirety. **Contracts must be dated on the same day or prior to the day work is started.**

Obtain contractor's signature on ADM 1414 only if the confirming service contract will serve as the contractor's invoice (the contractor is not invoicing separately).

Obtain contractor's signature on Std. 21, Drug-free Workplace Certificate, before services are performed. (Services cannot be paid for if no Std. 21 is signed.)

## 5.1.7 Drug-Free Workplace Certification

All confirming service contracts will require a signed Drug-Free Workplace Certification form (Attachment H). Contractors cannot be paid for services unless a signed Std. 21 is attached to the Confirming Service Contract. The Contract Manager's responsibility is to inform vendors at the time services are requested that a Drug-Free Workplace Certification is required by law. Vendors should be informed that

they will not be paid for services rendered unless the form is signed and submitted.

The Contract Manager is responsible for explaining the requirements of Government Code 8350-8355, Drug-Free Workplace Act of 1990 and for having a Std. 21, Drug-Free Workplace Certification signed by the contractor before work begins. The Contracts Office is responsible for making forms available to Contract Managers and advising them of the Government Code requirements. The Std. 21 should be attached to the Confirming Service Contract before execution in the Contracts Office and forwarding to Accounting for payment.

## 5.2 EMERGENCY CONTRACTS

### 5.2.1 Definition

An emergency contract is for services that are required immediately to avert, alleviate, or repair damage or destruction to state property or to protect the public health, safety, and welfare.

When it is determined that an emergency exists, that the costs will total \$1,000 or more, and that there is no existing service contract in place for the required services, an emergency contract should be authorized.

### 5.2.2 General

Emergency contracts are generally public works contracts, but can be other contracts for emergency services. The element that distinguishes emergency contracts from other types of contracts is the need to have work done "immediately" where there is a threat to public health, safety and welfare. This usually does not allow enough time to advertise and prepare bid documents in the method prescribed for other contracts. SAM Section 1233 exempts emergency contracts from Contracts Register advertising or the exemption approval process. However, whenever possible, the contract requester should make every effort to secure the lowest possible bid through an informal bid process.

Contracts for emergency services must include all the provisions required of any contract of its type including licensing, insurance, prevailing wage requirements (if applicable), bonding requirements,

# CHAPTER 5 - CATEGORIES OF CONTRACTS

MBE/WBE/DVBE or DBE provisions, and the Drug-Free Workplace Certification. In the case of bonds, a contractor may commence performance of the work under the contract prior to filing the required bond with the Department. No payment will be made to the contractor until a bond covering all work of the contract is filed with the Department.

Immediately upon the determination that an emergency exists, the individual in charge of the work must contact the contracts office to begin the process of writing a contract.



**It is not appropriate to begin to process emergency contracts weeks or months after the work is complete.**

## 5.3 ALL OTHER CONTRACTS (INCLUDING ANNUAL AND/OR RENEWAL)

All other contracts are commonly used to obtain a wide variety of commercial services, maintenance and repairs, rental of equipment, consultant/personal services, interagency agreements and right of way services. Whenever a unit identifies work of a repetitive nature (more than four times a year), it is appropriate to write an annual service contract. As specific situations are encountered, the Contracts Office should be contacted for detailed instructions concerning the particular circumstances.

### 5.3.1 Commercial Service Contracts

Commercial service contracts cover a broad range of services provided by an individual or business. Consultant/personal services cover work which is primarily advisory or informational in nature, involving products of the mind.

Because commercial contracts are frequently used as the "catch all" for services that cannot readily be associated with other contract types, special attention should be given to assure that they are used correctly. Commercial service contracts are written to obtain a service which cannot be performed by Caltrans employees.

Commercial service contracts include, but are not limited to:

- Commercial maintenance contracts covering the routine maintenance and repair of equipment. (Both office and non-office equipment).
- Commercial rental contracts include, but are not limited to the rental of aircraft, conference rooms, office machines, post office boxes, safe deposit boxes, tools, water coolers and other small equipment.
- Master service agreements (MSA) are commercial service agreements issued by the DGS for various services required. The Department then enters into a subsidiary agreement under the MSA.
- Other commercial service contracts cover those contracts which provide a service which is not identified with another specific contract type. They include a wide variety of services contracts such as: backflow prevention devices; backup reproduction or photographic work; blacksmith services; car washing; core drilling; cleaning septic tanks; dead animal removal; fire suppression; health monitoring (nuclear effects); income agreements (auctioneering, sale of tires, etc.); janitorial or gardening; key and lock services; laundering; lodging; meals; microfilm services; medical contracts; moving office furniture; pest/weed control or fumigation; servicing fire extinguishers; transportation and guarding of money; transportation and subsistence for expert witnesses; transportation services such as moving construction materials from a maintenance yard to a job site; truck scale inspections; and the use of dump sites.

### 5.3.2 Public Works Contracts

A public works contract is defined as an agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

Minor B contracts are projects where the original estimate of state cost or contribution is \$44,000 or less, and if applicable, where actual costs to award the contract does not exceed \$48,800. Minor B contracts require preparation of detailed plans and specifications and should be discussed with the appropriate project manager in the district office.

# CHAPTER 5 - CATEGORIES OF CONTRACTS

## 5.3.3 Right of Way Service Contracts

Right of way contracts include, but not limited to:

1. Right of Way clearance/demolition contracts for the removal or relocation of structures or improvements situated upon real property over which a right of way for state highway purposes has been, or is to be, acquired.
2. Right of Way property management contracts for maintenance of state owned rentals and state owned properties (including CalTrain stations), and contracts for the rehabilitation of state owned properties. Though they are not considered public works contracts, they may require the payment of prevailing wages.
3. Right of Way Expert Witness/Appraisal/Condemnation contracts for acquisition of the services of a recognized expert to prepare reports, do pretrial work for appraisal/condemnation cases or to give court testimony.
4. Staff Appraiser contracts for the services of a fee appraiser for obtaining expertise in a specialized phase of appraisal work, or where an independent viewpoint is essential; or to obtain appraisal services on a timely basis when timeframes cannot otherwise be met.
5. Right of Way title service contracts for services pertaining to land title such as title searches, escrow services, tax reports, tabulation of sales, continuation or supplemental reports or guarantees, and copies of recorded documents.

## 5.3.4 Highway Equipment Rental Contracts

Bare highway equipment rental contracts are written for the lease or rental of tools or equipment, unoperated, to be used for state highway purposes.

Operated highway equipment rental contracts are written for the lease or rental of tools or equipment, fully operated, to be used for state highway purposes. Highway equipment rental contracts are not used to obtain the services of flagmen, supervisors or supervisory personnel, additional labor, material, etc.

A safety roadside rest area maintenance contract is for routine building maintenance, simple repair/replacement in kind, janitorial services, and landscape maintenance of safety roadside rest areas.

## 5.3.5 Personal Services/Consulting Service Contracts

A personal service contract is defined as a contract for services involving individual personal or group expertise. Generally, the services are rendered directly to the Department and support routine administrative or management functions. Occasionally these are services that could be, or have been, performed by state employees. (Contact your Contracts Office for detailed information on civil service considerations).

A consulting service contract is a contract between the Department and a private firm/person to provide management with consultation, expert witness services or other services that are primarily advisory or informational in nature and involve products of the mind. The product may include anything from answers to specific questions to design of a system, plan, or program, and includes workshops, seminars, conferences, legal counsel, and training courses for which paid expertise is retained by contract.

An expert witness-tort case is a contract for the services of a recognized expert to prepare reports, give court testimony or do pretrial work for court cases. Expert witnesses provide testimony in tort cases, e.g., injury to an individual or personal property resulting from a condition of the state highway.

Archaeological consultant services contracts involve two basic levels of archaeological work: (1) test excavation for the purpose of evaluating resources; (2) data recovery for the purpose of preserving information available in an archaeological site before it is altered or destroyed. In addition, a variety of forms of agreement are used to pay the costs of archaeological record searches that must be performed by officially designated Archaeological Record Centers for the purpose of searching for site records in the vicinity of a Department project.

# CHAPTER 5 - CATEGORIES OF CONTRACTS

## 5.3.6 Interagency Agreements

An interagency agreement is a contractual agreement between state agencies to provide services, materials or equipment. This includes contracts with the University of California or a California State University campus.



**Interagency agreements do not include contracts with campus foundations or contracts with federal or local agencies.**

## 5.3.7 EDP and Telecommunications Contracts

EDP contracts are defined as contracts for data, data processing, data transmission, EDP equipment, personnel, supplies, hardware, information processing and technology, maintenance, operations, program/programming, proprietary software and other software.

Telecommunication contracts are defined as contracts for the transmission of information by electronic means, including telephone, data, radio, microphone, lightwave video, facsimile, and other forms of electronic transmission.

## 5.3.8 Architectural/Engineering Contracts

A&E contracts for architectural, landscape architectural, engineering, environmental, land surveying, or construction management services.

For complete information on A&E contracts and the administration/management thereof, consult the A&E Consultant Services Manual. (Contact HQ Consultant Services for copies of the A&E manual.)

# CHAPTER 6 - AMENDMENTS

## 6.1 AMENDMENTS

At the time a contract is written, every effort should be made to prepare the contract comprehensively enough to provide needed services. If there is a need to cover contingencies, provisions providing flexibility should be built into the contract. If unanticipated events occur, the contract can usually be amended.

Contracts let or awarded on the basis of a law requiring competitive bidding may be modified or amended only if the contract so provides, or if authorized by the law requiring competitive bidding.

Amendments must be requested and dated prior to the termination date of the original or amended contract. Amendments requiring the DGS approval must be submitted to the DGS prior to the termination date. Contract Managers cannot authorize additional work or expenses until the amendment is approved/ executed. Accounting will not pay for any extra work performed before approval is received.

Contract amendments should not materially alter the fundamental object of the original contract. Major changes must be accomplished by a new contract using the required bidding and contract award procedure. Care must be taken to ensure that the amendment does not contradict information in the original contract and that all needed changes are specified.



**Contracts awarded on an annual basis must be rebid each year. It is not appropriate to amend a contract year-to-year to extend the performance period.**

### 6.1.1 Sole Source Approval

Contact the HQ or District Contracts Office to determine if sole source approval from the DGS is required. Some amendments are exempt from the DGS sole source approval. However, do not assume the amendment services requested are exempt.

Any amendment to a contract that extends the term of the original contract and adds funds requires sole source exemption approval from the DGS. Any amendment that increases the amount of the contract by more than 30% must have sole source ap-

proval from the DGS. If the contract is amended more than once to add funds, sole source approval is required if the cumulative effect of the amendments increases the amount by more than 30%.

The Contract Manager is responsible for justifying sole source contracting. The justification must be provided to the Service Contracts Office for use in preparing a Std. 821, Sole Source Request, which is forwarded to the DGS for approval. Justification may consist of, but is not limited to: cost savings, time savings, only available source, geographic location, inability to secure more than one bidder, etc.

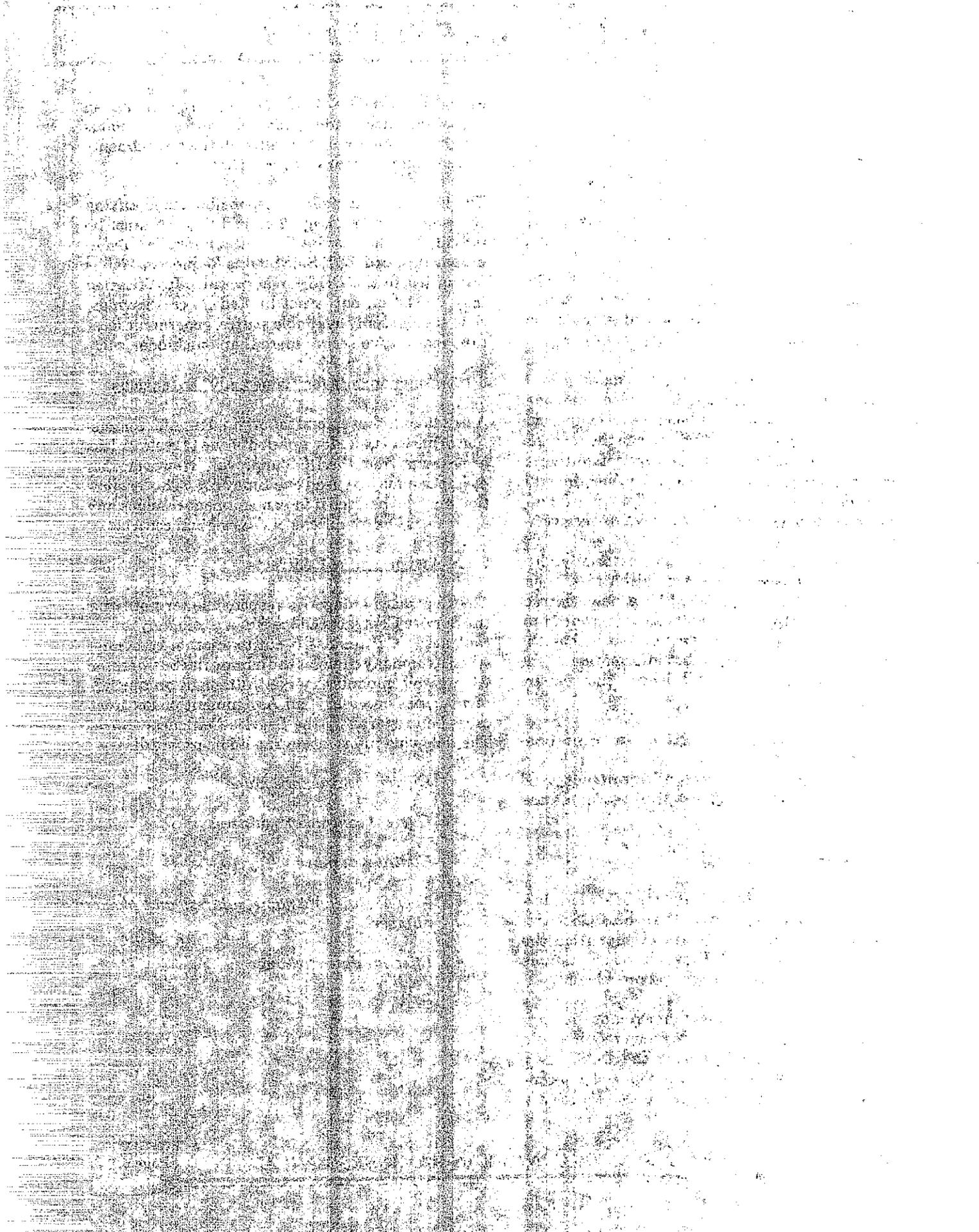
### 6.1.2 Amendments for "Time Only" Extensions

Amendments that extend the original time for completion of performance for a period of one (1) year or less are exempt from the DGS approval. However, this exemption may be used one time only. This exemption may not be used if the amendment changes any other terms or conditions of the original contract.

### 6.1.3 Assignment of Contracts

The Contract Manager is responsible for notifying the Service Contracts Office when a company under contract to Caltrans sells out to another company, when a company changes the name of its business, or when two companies merge. Although an amendment is not necessary, an Assignment of Contract must be prepared by the Service Contracts Office. The following information should be provided:

- *Current contractor's name*
- *Current contractor's address*
- *Contract number*
- *New contractor's name, address and phone number*
- *Effective date of change*



# CHAPTER 7 - CONTRACT ADMINISTRATION

## 7.1 RENEWAL OF ANNUAL SERVICE CONTRACTS

The Service Contracts Office receives numerous calls concerning the renewal of contracts which have expired. In many cases, the renewal has not been requested, the services have continued to be provided and the Contract Manager has an invoice from the contractor for payment. There is no authorized method for payment in this situation.

The State Administrative Manual (SAM) states that contracts for services should normally cover no more than 12 consecutive months. It is the Contract Manager's responsibility to monitor contract expiration dates, and to submit requests for renewal each year for those services needed on a continuing basis. Renewal requests must be submitted in a timely fashion to ensure no lapse in the coverage of necessary services. Renewal of a contract follows the same process and timeframes as an original contract.

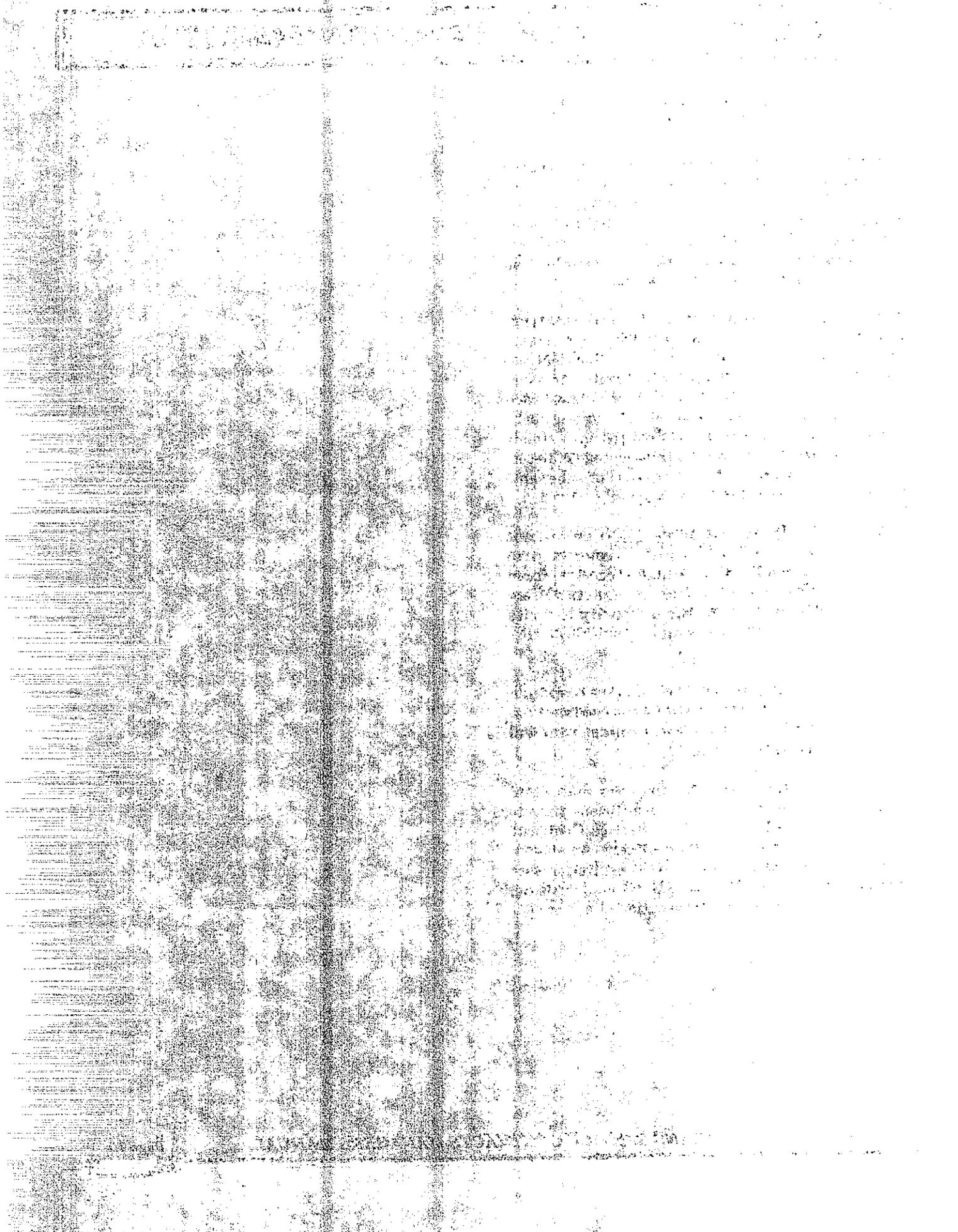


**The Service Contracts Office will not automatically begin the renewal process without a contract request form (Form 360). The Contracts Office does not have the authority to write a contract without a Form 360 on file.**



**It is the Contract Managers responsibility to closely monitor contract expiration dates and request renewal as appropriate.**

When the Contract Manager discovers that a contract is expiring and there is insufficient time to process a renewal request, the Service Contracts Office should be contacted immediately. An amendment may be prepared to extend the expiration date of the expiring contract to allow time for advertising, bidding, awarding and the execution of a new contract.



# ABBREVIATIONS

## ABBREVIATIONS & ACRONYMS

A&E .....	Architecture & Engineering
AB .....	Assembly Bill
CFR .....	Code of Federal Regulations
CSCR.....	California State Contracts Register
DAS .....	Division of Administrative Services
DBE .....	Disadvantaged Business Enterprise
DCO .....	District Contract Officer
DGS .....	Department of General Services
DIR.....	Department of Industrial Relations
EA .....	Expenditure Authorization
EDP .....	Electronic Data Processing
FHWA .....	Federal Highway Administration
IFB .....	Invitation for Bids
MB/WBE .....	Minority Business/Women-Owned Business Enterprise
MOU.....	Memorandum of Understanding
OBM.....	Office of Business Management
OE .....	(Office of) Office Engineer
OSMB.....	Office of Small & Minority Business
PCC .....	Public Contract Code
PUC .....	Public Utilities Commission
RE .....	Resident Engineer
RFP .....	Request for Proposal
RFQ.....	Request for Qualifications
RTA .....	Research Technical Agreement

# ABBREVIATIONS

R/W	Right of Way
SAM	State Administrative Manual
SB	Senate Bill
SPB	State Personnel Board
SRRA	Safety Road side Rest Area
S/O	State Owned
S&H	Streets & Highways
TACPA	Target Area Contract Preference Act
UMTA	Urban Mass Transportation Act

# **GLOSSARY OF TERMS**

## **GLOSSARY OF TERMS**

The definitions presented in this glossary are those used by the Department. To avoid confusion, staff should clarify definitions when dealing with other agencies.

<b>Amendment/Supplement</b>	A formal change in the terms of a contract. The common term used by the Department is "amendment."
<b>Authorized Representative</b>	The person or designee who has been given authority to bind either the Department or the contractor to the terms of a contract or agreement.
<b>Bid</b>	A potential contractor's cost reply to a solicitation for services.
<b>Bidders Conference</b>	A planned, formally conducted meeting held after the release of a solicitation document. The purpose is to clarify the bid or proposal package and to respond to any questions from bidders.
<b>Bonds</b>	A financial guarantee posted by a contractor to ensure the state against potential loss.
<b>Commercial Maintenance Contract</b>	A contract to cover the routine maintenance and repair of equipment, both office and non-office.
<b>Commercial Rental Contract</b>	A contract to provide for the rental of non-highway equipment such as aircraft, conference rooms, office machines, and water coolers.
<b>Commercial Services Contract</b>	A series of contracts that covers a broad range of services provided by an individual or business as contrasted to that of a consultant/personal service contractor whose work is primarily advisory or informational in nature—products of the mind.
<b>Confirming Contract</b>	A simple one-page document that provides a quick way to secure service when needed on an occasional basis and for a limited amount. (OBM 1414.)
<b>Contract</b>	A legally binding agreement between the state and another entity, public or private, for the acquisition of goods or services.
<b>Contract Manager</b>	The person representing the state who is responsible for maintaining liaison with the contractor, monitoring performance of work, and authorizing payment.

# **GLOSSARY OF TERMS**

## **Contract/Contractor Evaluation**

An evaluation of a consultant service/personal service contractor's performance on contracts in excess of \$5,000, completed by the Contract Manager at the end of the contract. (Std. Form 4.)

## **Contract Transmittal Pre-Evaluation form (Std. 15)**

A form used to transmit the contract for review and approval and to facilitate post-reviews. The form provides a brief description of the contract, a justification for the contract need, a recap of the solicitation process and a summary of specific provisions or circumstances.

## **Consulting Services Contract**

A personal service contract between the Department and a private firm/individual to provide management consultation, expert witness services, legal counsel or other services that are primarily advisory or informational in nature—products of the mind.

## **Competitive Bidding**

A process used to obtain a minimum of three bids or price quotes on a project or service. This process is conducted in a manner so as not to limit the competition for the contract to any one firm/individual and so that all bidders are bidding on exactly the same requirements.

## **EDP**

A term used to identify (Electronic Data Processing) and/or to describe equipment, goods or services related to Information Technology. Includes the lease, rental, maintenance or development of systems, programs or analysis involving computers, word processing equipment or computer software.

## **Emergency Contract**

A contract for services that are required immediately to avert, alleviate, or repair damage or destruction to state property or to protect the public health, safety, and welfare.

## **Expert Witness Contract**

A contract written to acquire the services of a recognized expert to prepare reports, or pre-trial work for court cases, or give court testimony.

## **General Provisions**

Those terms and conditions that have wide applicability and are usually pre-printed on standard contract forms.

## **Guideway Agreements**

An agreement involving a transfer of funds that pass through the Department from the federal government to a local agency.

## **Hazardous Contract**

A contract that involves a function or activity with an inherently high potential for injury to persons or for damage to property.

# ***GLOSSARY OF TERMS***

**Highway Equipment Rental Contract**

A contract that provides for the rental of fully operated or bare (non-operated) equipment for highway purposes as authorized under the Streets & Highways Code.

**Indirect Cost**

The pro-rata share of existing salaries and benefits, rent, equipment, materials and utilities that can be attributed to a function or activity. A contractor normally considers these as overhead when preparing a bid price.

**Interagency Agreement**

A contractual agreement between the Department and another state agency to provide services.

**Invitation for Bids**

A type of solicitation document used to seek price quotations from potential contractors for services that can be defined in terms of the standards (specifications) of performance.

**Liquidated Damages**

Payment of money to the state by the contractor when the contract completion is delayed through the fault of the contractor. The amounts to be paid are specified in the contract.

**Lump Sum Payment**

A method of contract payment whereby a "fixed" all-inclusive price is paid upon completion of the contract services. The lump sum price is established prior to performance of services.

**Master Service/Rental Agreement**

An agreement procured by DGS to secure equipment maintenance and/or rental for use by all state agencies.

**Personal Services Contract**

A contract for services involving personal or group expertise. The service rendered directly to the Department, generally, supports routine administrative or management functions.

**Progress Payment**

For consultant contracts, any partial payment of the contract price during the progress of the work. For service contracts, any partial payment of the contract price during the progress of the work IF an end product or end result is required; does not apply if there is payment for discrete elements of work. All contracts including progress payment provisions shall withhold no less than 10% of the total amount of the contract.

**Proposal**

A potential contractor's written or verbal presentation of approach/ method to be used to provide a particular service. Frequently the term is applied to the written response to an RFP.

**Public Works**

An agreement for the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

# **GLOSSARY OF TERMS**

Real Property	Land or buildings, or permanent fixtures attached thereto.
Reimbursed Work for Others	Generally this is work performed at the request and for the primary benefit of a non-Departmental entity, e.g., an (income) Interagency Agreement with another state agency to perform services.
Request for Proposals	A solicitation procedure/document used for services that are not standard, wherein the bidder describes the process of how they will provide the services required. Award of the contract is based on considerations other than price alone.
R/W Clearance/Demolition	A contract for the removal or relocation of structures or improvements situated upon real property over which a right-of-way for state highway purposes has been, or is to be acquired.
R/W Property Maintenance Contract	A contract for a variety of services essential to the maintenance and preservation of state-owned rental properties that is necessary to maintain the property in a safe and sanitary condition.
R/W Property Management	A contract for the maintenance of state owned rentals and state owned properties including CalTrain Stations, and those contracts for the rehabilitation of state-owned properties.
R/W Staff Appraisers Contract	A contract to obtain the services of a fee appraiser for the purpose of obtaining expertise in a specialized phase of appraisal work, or where an independent viewpoint is essential, or to obtain appraisal services on a timely basis when timeframes cannot be met.
R/W Title Services	A contract that provides for services pertaining to land title such as title search, escrow services, tax reports, tabulation of sales, continuation or supplemental reports or guarantees, and copies of recorded documents.
Safety Roadside Rest Area Contract	A contract for routine building (SRRA) maintenance simple repair/ replacement in kind, janitorial services, and landscape Roadside Rest Areas.
Sole Source Contract	A contract for services entered into without benefit of obtaining competitive bids or proposals or a contract with an entity determined to be the only known source available to perform the work.
Special Provisions	Terms and conditions that apply only to certain types of contracts or to the particular activities under a contract. These are not pre-printed on standard contract forms.

# **GLOSSARY OF TERMS**

<b>Specifications</b>	Prescribed standards, measures and procedures relative to the activity to be performed under contract that assure that the performance outcome is of the intended quality.
<b>State Contracts Register</b>	An official register published by the Department of General Services, Office of Small and Minority Business in which proposed contracts for services and construction are advertised to solicit bids/proposals. Sole source exemptions are also listed in this publication.
<b>Statement of Work</b>	A description of the work to be performed under contract.
<b>Surety</b>	A person or corporation that issues bonds and is legally liable for their guarantee.
<b>Telecommunications Contracts</b>	A contract that provides for the transmission of information by electronic means, including telephone, data, radio, microphone, lightwave video, facsimile, and other forms of electronic transmission.
<b>WIN/COD Agreement</b>	An agreement between the Department and the Employment Development Department to establish terms and conditions under which an eligible welfare recipient is provided training and on-the-job experience.



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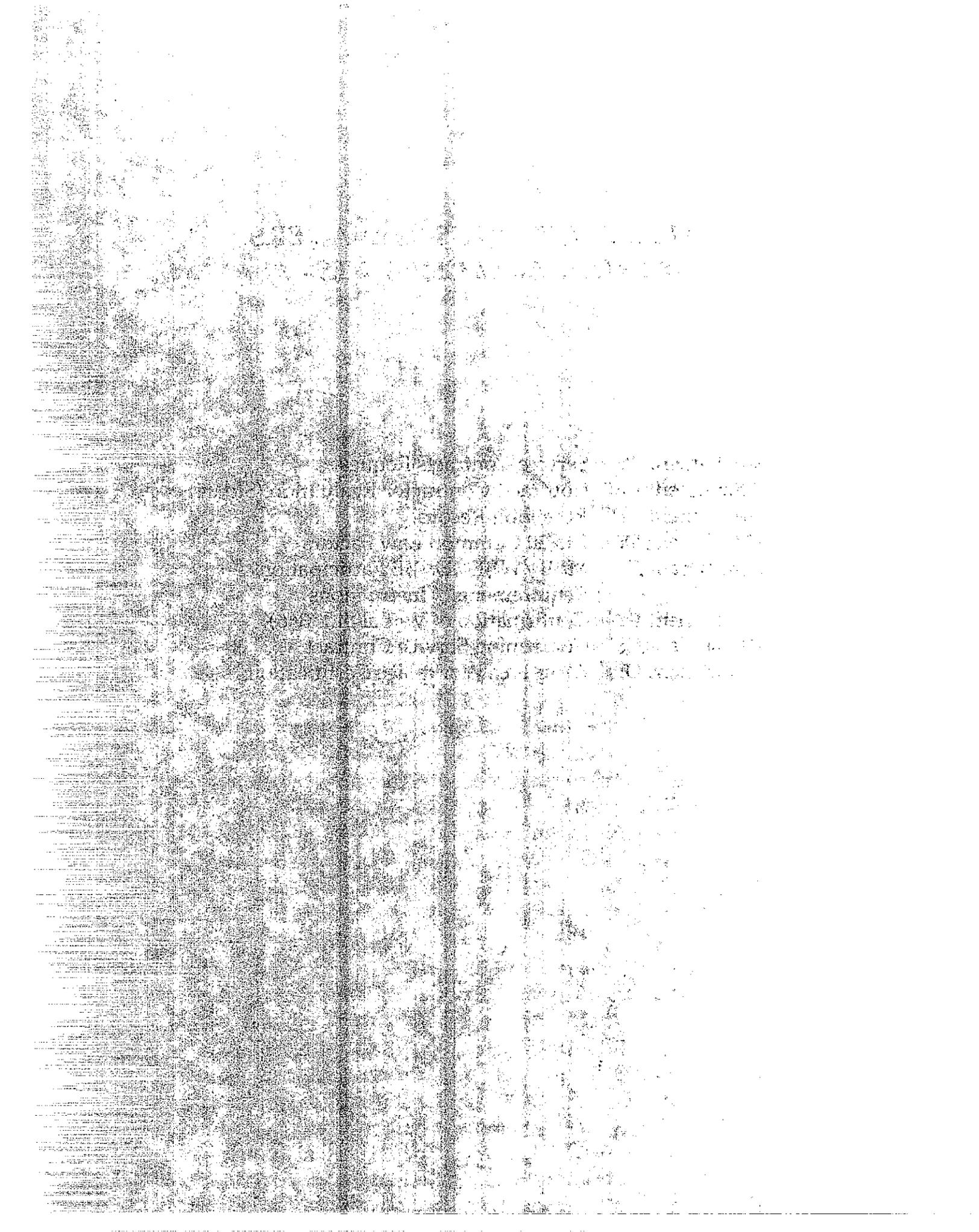
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## **SERVICE CONTRACTS MANAGERS MANUAL ATTACHMENTS**

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STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION  
**SERVICE CONTRACT REQUEST**  
 ADM - 0360 (REV. 4/92) (FRONT)

CONTRACT OFFICE USE	
CONTRACT NUMBER	
DATE RECEIVED	

COMPLETE BOTH SIDES

REQUESTED BY (CONTRACT ADMINISTRATOR)					DIVISION / BRANCH / OFFICE			PHONE			
SOURCE		CHARGE		FISCAL YEAR	EXP. AUTH.		SPECIAL DESIGNATION		OBJECT	AMOUNT	ARE FEDERAL FUNDS INVOLVED? <input type="checkbox"/> YES <input type="checkbox"/> NO % STATE FUNDS: % FEDERAL FUNDS: % LOCAL AGENCY FUNDS:
DIST.	UNIT	DIST.	UNIT		GEN LED	SUB ACCT.	SUB-JOB# - R/W PARCEL# LOCATION BRIDGE #ETC.				
BUDGET ITEM NUMBER					CHAPTER		STATUTES		FISCAL YEAR		PREVIOUS CONTRACT
APPROVED BY REQUESTING PROGRAM MANAGER					TITLE						DATE

A. REASON FOR CONTRACT (SPECIFY PROBLEM, ADMINISTRATIVE REQUIREMENT, PROGRAM NEED OR OTHER CIRCUMSTANCES MAKING CONTRACT NECESSARY).

B. COMPLETE DESCRIPTION OF SERVICES OR EQUIPMENT REQUIRED (INCLUDE RATES)

C. SPECIFICATIONS / SPECIAL PROVISIONS

D. LOCATION WHERE WORK TO BE PERFORMED: (ADDRESS AND COUNTY)	E. BEGINNING AND ENDING DATES FOR CONTRACT SERVICES		
	NOTE: Attach Justification if the term of the contract exceeds 12 months or if amended will cause contract to exceed 12 months.		
F. ESTIMATED EXPENDITURES: (BY FISCAL YEAR)	G. MINORITY BUSINESS ENTERPRISES PARTICIPATION GOALS (Goals set by Program Manager)		
	Disadvantaged (DBE)	%	Minority (MBE) 15%
	Disabled Veterans (DVBE)	3%	Women (WBE) 5%
	OFFICE OF CIVIL RIGHTS APPROVAL		DATE

# SERVICE CONTRACT REQUEST

ADM - 0360 (REV. 4/92) (BACK)

H.  INVITATION FOR BID     REQUEST FOR PROPOSAL     SOLE SOURCE (If Sole Source, attach sole source justification.)

POSSIBLE BIDDERS OR SOLE SOURCE CONTRACTOR (Give full address and phone number. Show bid information if verbal bids have been obtained.)

1.	3.

2.	4.

I. JUSTIFICATION (Check One)  This contract is to be executed to achieve cost savings pursuant to SAM 1249 (G.C. 19130 (a)). The Personnel Board has been so notified.  
 This contract is to be executed pursuant to civil service considerations contained in S.A.M. 1249 (G. C. 19130 (b)). Justification is described below:

J. DESCRIBE THE SERVICE OR FINAL PRODUCT THAT WILL RESULT, ITS BENEFIT AND THE ESTIMATED NUMBER OF PERSONS SERVED BY SUCH A BENEFIT.

K. HOW WILL THE DEPARTMENT USE THE CONTRACT PRODUCT ? HOW WILL ITS USE BENEFIT THE DEPARTMENT'S PROGRAM ?

L. WHY IS CONTRACTING THE MOST EFFECTIVE METHOD OF ACHIEVING THE DEPARTMENT'S PURPOSE ?

M. DOCUMENT EFFORTS MADE TO DETERMINE WHY PERSONNEL IN THE DEPARTMENT OR IN OTHER STATE AGENCIES CANNOT PROVIDE THIS WORK. LIST WHICH CIVIL SERVICE CLASSES WERE CONSIDERED, NAMES OF AGENCIES CONTACTED, AND EXPLAIN WHY THEY CANNOT PROVIDE THE REQUESTED SERVICES.

N. HAVE ALL THE REQUIREMENTS GOVERNING THE USE OF CURRENT AND FORMER STATE EMPLOYEES AS SPECIFIED IN S.A.M. 1248 BEEN COMPLIED WITH ?  
Yes  No

**CONTRACT/CONTRACTOR EVALUATION**

STD. 4 (REV. 11/89)

THIS FORM MUST BE COMPLETED AND FORWARDED TO THE DEPARTMENT OF GENERAL SERVICES, OFFICE OF LEGAL SERVICES WITHIN 30 DAYS OF COMPLETION OF EVERY CONTRACT, REGARDLESS OF CONTRACT AMOUNT OR WHETHER THE CONTRACT WAS REVIEWED BY THE DEPARTMENT OF GENERAL SERVICES.

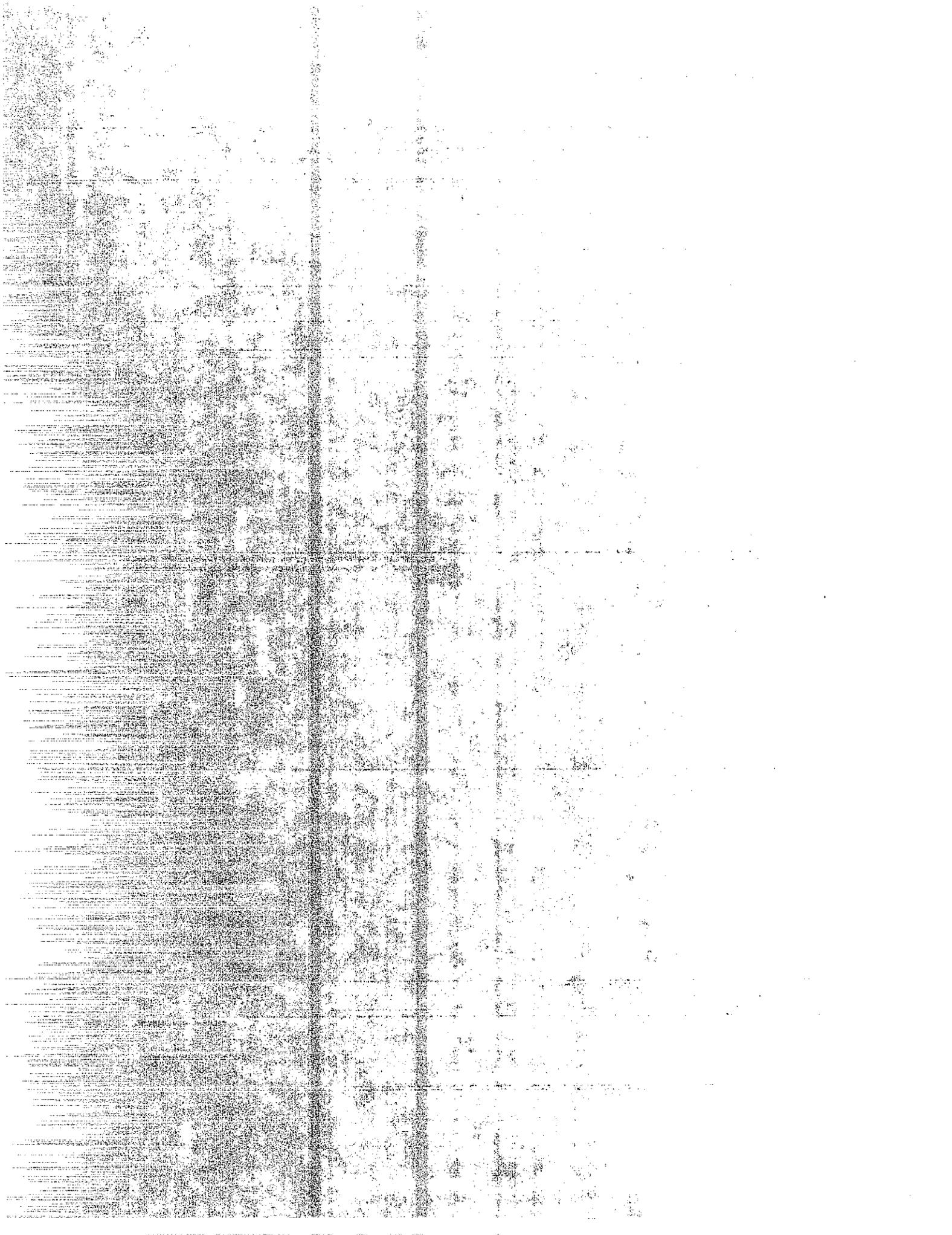
CONTRACT NUMBER

DEPARTMENT		CONTRACTOR NAME AND ADDRESS		
DIVISION, BUREAU OR OTHER UNIT				
NAME OF EVALUATOR				
CONTRACTOR'S FEDERAL I.D. NUMBER	DATE OF CONTRACT	DGS LOG NUMBER	DGS APPROVAL <input type="checkbox"/> YES <input type="checkbox"/> NO	APPROVAL DATE
1. ORIGINAL CONTRACT AMOUNT	2. WAS THE ORIGINAL CONTRACT AMENDED? <input type="checkbox"/> NO <input type="checkbox"/> YES IF YES, WHAT WAS FINAL CONTRACT AMOUNT? _____			
3. DESCRIBE SERVICE OR PRODUCT TO BE PROVIDED UNDER CONTRACT				

4. IS THE SERVICE/PRODUCT BEING UTILIZED?  NO IF NO, EXPLAIN WHY  YES IF YES, EXPLAIN HOW THE PRODUCT OR SERVICE MET THE SPECIFIC PROBLEM, ADMINISTRATIVE REQUIREMENT, OR PROGRAM NEED WHICH MADE THE CONTRACT NECESSARY.

5. DID THE CONTRACTOR FULFILL ALL REQUIREMENTS OF CONTRACT INCLUDING QUALITY STANDARDS?  
 YES  NO IF NO, PLEASE EXPLAIN

6. TYPE OF BIDDING: <input type="checkbox"/> RFP/1FB <input type="checkbox"/> SOLE SOURCE		7. TYPE OF SERVICE: <input type="checkbox"/> CONSULTING <input type="checkbox"/> OTHER: _____ (SPECIFY)		
8. EMPLOYEE TO BE CONTACTED REGARDING CONTRACTOR PERFORMANCE		9. TITLE		10. TELEPHONE NUMBER
11. SIGNATURE OF EVALUATOR		12. TITLE	13. DATE	14. TELEPHONE NUMBER



RECEIVED FROM		RECEIVED BY (3)		DATE RECEIVED		CLAIM SCHEDULE NO.		CURRENT DOCUMENT NO.		PAGE NO. _____ OF _____	
DESCRIPTION OF SHIPMENT (2)				WEIGHT		FREIGHT BILL NO.		PREPARED BY		DATE PREPARED	
NO. PKGS				TYPE CONTAINER (GRATES, BOXES, ETC.) AND ARTICLES				D.O. APPROVED		D.O. APPROVED	
								VENDOR NUMBER		SERVICE CONTRACT NUMBER	
								HOW CHECKED? (WEIGHT, COUNT, MEASURE?)		PURCHASE ORDER NUMBER	
								RECEIVED VIA & CAR NO. (IF CAR LOAD (1))		GOOD CONDITION? (4) Y _____ N _____	

QUANTITY	UNIT	UNIT PRICE	T C	SOURCE		CHG DIST	EXPENDITURE AUTHORIZATION	SUBJOB	P	SPECIAL DESIGNATION	F A	AGCY ORJ	AMOUNT	CITY	ROUTE	P FROM	P TO	SUF
				MOD	UNIT													
DESCRIPTION/COMMENTS																		
INVOICE NUMBER																		
DOCUMENT DATE																		
SUBSIDIARY ACCT																		
MSA CODE																		
CHECK DATE																		
FAM/PROB																		
CITY																		
ROUTE																		
P FROM																		
P TO																		
SUF																		

QUANTITY	UNIT	UNIT PRICE	T C	SOURCE		CHG DIST	EXPENDITURE AUTHORIZATION	SUBJOB	P	SPECIAL DESIGNATION	F A	AGCY ORJ	AMOUNT	CITY	ROUTE	P FROM	P TO	SUF
				MOD	UNIT													
DESCRIPTION/COMMENTS																		
INVOICE NUMBER																		
DOCUMENT DATE																		
SUBSIDIARY ACCT																		
MSA CODE																		
CHECK DATE																		
FAM/PROB																		
CITY																		
ROUTE																		
P FROM																		
P TO																		
SUF																		

QUANTITY	UNIT	UNIT PRICE	T C	SOURCE		CHG DIST	EXPENDITURE AUTHORIZATION	SUBJOB	P	SPECIAL DESIGNATION	F A	AGCY ORJ	AMOUNT	CITY	ROUTE	P FROM	P TO	SUF
				MOD	UNIT													
DESCRIPTION/COMMENTS																		
INVOICE NUMBER																		
DOCUMENT DATE																		
SUBSIDIARY ACCT																		
MSA CODE																		
CHECK DATE																		
FAM/PROB																		
CITY																		
ROUTE																		
P FROM																		
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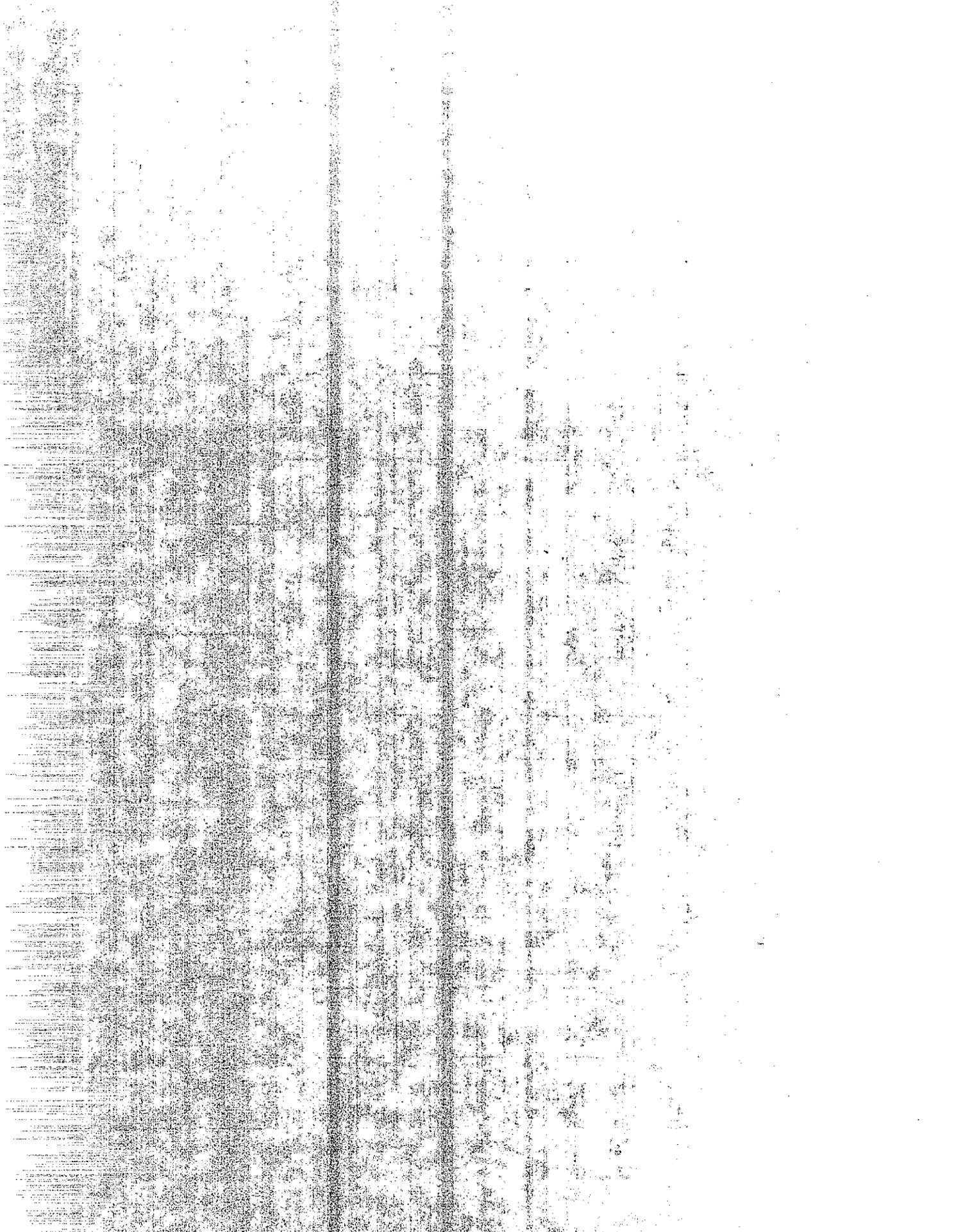
ATTACHMENT C

**NOTE:**

- For cartloads, the initials and number of the cars and the date and time of placing and releasing must be shown.
- This section must be completed in case of car loss or damage, or when copy of freight bill is not attached.
- When receiving record is prepared from signed delivery tag, indicate in space "received by" name of person who actually made count.
- If shipment is not received in good condition, explain in body of form.

- All shortage of or damage to goods must be noted on this form and handled immediately.
- Receiving records must be made out immediately upon receipt of goods and must be forwarded at once to the District Accounting Office.
- Only items on the same purchase order are to be shown.

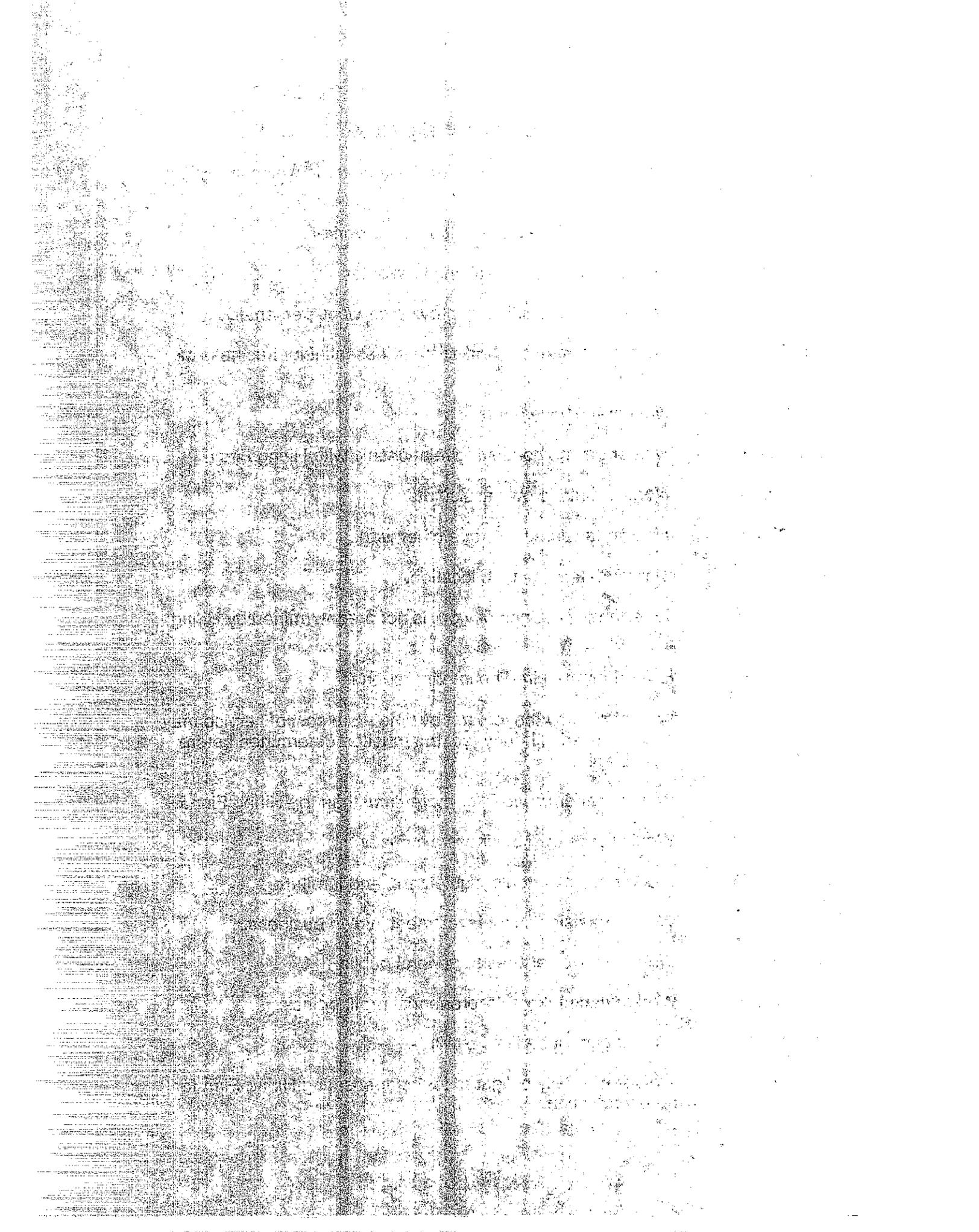
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**IRS 20 COMMON LAW FACTORS**

The following factors are reviewed by the IRS for the industry in which the Hiring Firm does business.

- Factor No. 1            Hiring Firm gives no instructions to Worker.
- Factor No. 2            Hiring Firm gives no training to Worker.
- Factor No. 3            Worker is not required to provide services personally.
- Factor No. 4            Work performed by Worker is not essential for business of Hiring Firm.
- Factor No. 5            Worker sets own hours.
- Factor No. 6            Worker has no continuing relationship with Hiring Firm.
- Factor No. 7            Worker controls own assistants.
- Factor No. 8            Worker has time to pursue other work.
- Factor No. 9            Worker determines job location.
- Factor No. 10           Order and sequence of work is not predetermined by Hiring Firm.
- Factor No. 11           Hiring Firm required no interim reports.
- Factor No. 12           Worker paid by the job, not by time; total cost of service may be expressed in hourly fee, but must be determined before work begins.
- Factor No. 13           Worker performs work for more firms than the Hiring Firm.
- Factor No. 14           Worker pays own business expenses.
- Factor No. 15           Worker has own tools, equipment, and furniture.
- Factor No. 16           Worker has significant investment in own business.
- Factor No. 17           Worker offers services to general public.
- Factor No. 18           Worker can make entrepreneurial profit or loss.
- Factor No. 19           Worker cannot be fired at will.
- Factor No. 20           Worker is legally obligated for compensating Hiring Firm for non-completion.



**IRS 20 COMMON LAW FACTORS  
Worksheet**

\_\_\_\_\_ 1. NO INSTRUCTIONS

The contractor will not be required to follow, nor will he be furnished with instructions to accomplish his job. The State may provide job specifications.

\_\_\_\_\_ 2. NO TRAINING

The contractor will not receive training by the State. He will use his own methods to accomplish the work.

\_\_\_\_\_ 3. SERVICES DO NOT HAVE TO BE RENDERED PERSONALLY

The contractor is being hired to provide a result and will have the right to hire others to do the actual work.

\_\_\_\_\_ 4. WORK IS NOT ESSENTIAL TO CALTRANS

Caltrans' success or continuation does not depend in the services of outside contractors.

\_\_\_\_\_ 5. OWN WORK HOURS

The contractor will set his own work hours.

\_\_\_\_\_ 6. NOT A CONTINUING RELATIONSHIP

The Contractor will not have a continuing relationship with Caltrans. If the relationship is frequent, it will be at irregular intervals, on call (not full-time), or whenever work is available.

\_\_\_\_\_ 7. CONTROL THEIR OWN ASSISTANTS

If assistants are hired, it will be at the contractor's sole discretion. The contractor will be responsible for hiring, firing, and paying those assistants.

\_\_\_\_\_ 8. TIME TO PURSUE OTHER WORK

The contractor will have time to pursue other gainful work.

\_\_\_\_\_ 9. DETERMINE JOB LOCATION

The contractor will control where he works. If he works on Caltrans' premises, Caltrans will not direct or supervise him.

10. SET ORDER OF WORK

The contractor will determine the order and sequence that he will perform the work.

11. NO INTERIM REPORTS

Since the contractor is being hired for the final result, he will not be asked for progress or interim reports.

12. PAID BY THE JOB

The contractor will be paid by the job, not by time. Payment by the job can include periodic payments based on a percentage of the completed job. Payment can be based on the number of hours needed to do the job times a fixed hourly rate. However, this will be set in advance of the job.

13. WORK FOR MULTIPLE BUSINESS FIRMS

The contractor will work for more employers than the State of California.

14. PAY BUSINESS EXPENSES

The contractor will be responsible for his incidental expenses.

15. HAVE OWN TOOLS

The contractor will furnish his own tools. If Caltrans leases equipment to the contractor, the terms will be equivalent to what an independent business could have obtained in the open market.

16. HAVE MADE A SIGNIFICANT INVESTMENT

The contractor can perform his services without the State's facilities (equipment, office furniture, machinery, etc.). The contractor's investment in his trade is real, essential, and adequate.

17. OFFER SERVICES TO GENERAL PUBLIC

The contractor makes his services available to the general public (check one or more):

The contractor has an office and assistants.

The contractor has business signs.

The contractor has a business license.

The contractor lists services in a business directory.

The contractor advertises services.

\_\_\_\_\_ 18. POSSIBLE ENTREPRENEURIAL PROFIT OR LOSS

The contractor can make a profit or loss (check one or more):

\_\_\_\_\_ The contractor hires, directs, and pays assistants.

\_\_\_\_\_ The contractor has own office, equipment, materials, and facilities.

\_\_\_\_\_ The contractor has continuing and recurring liabilities.

\_\_\_\_\_ The contractor has agreed to perform specific jobs for prices agreed upon in advance.

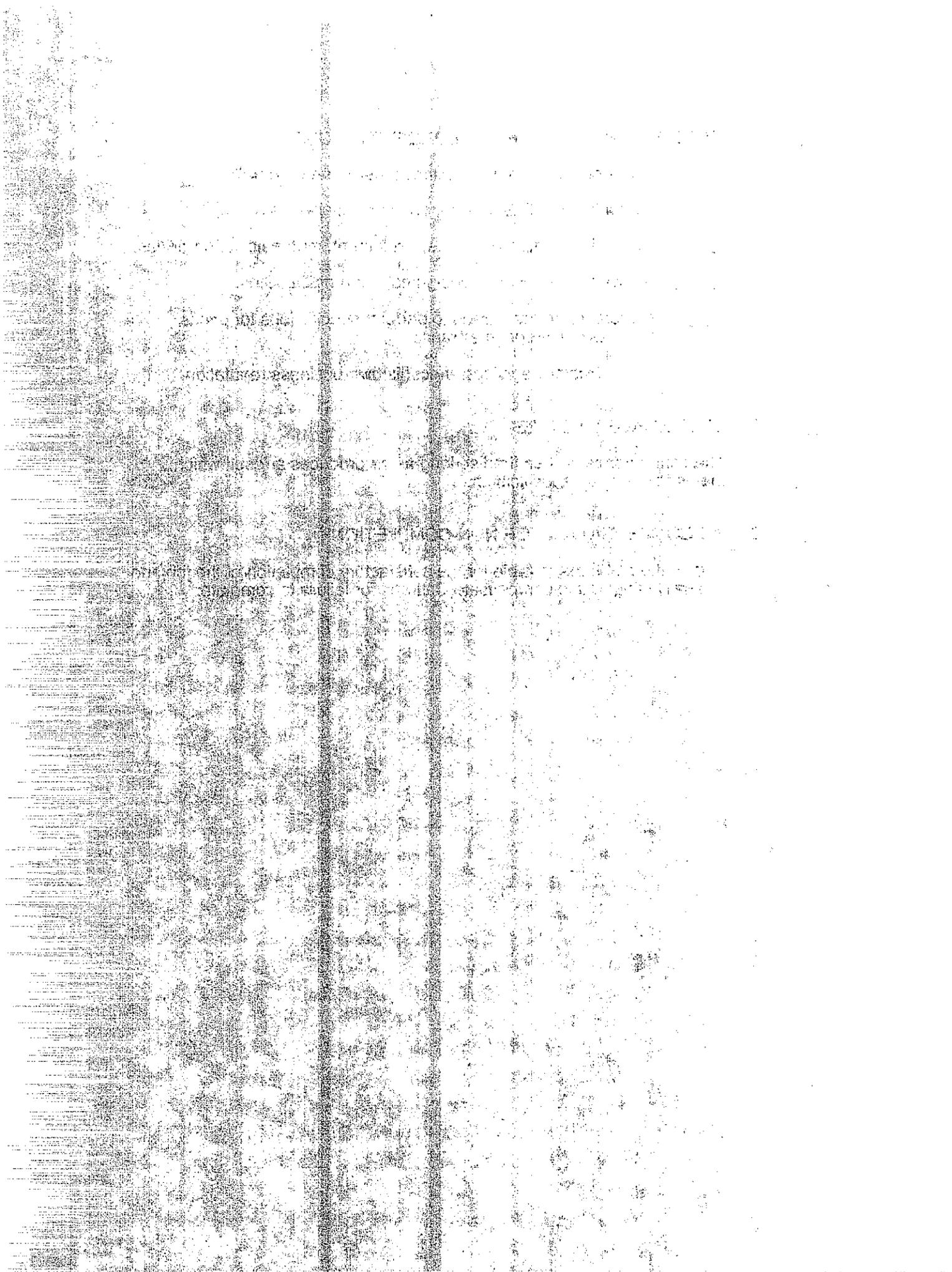
\_\_\_\_\_ The contractor's services affect his own business reputation.

\_\_\_\_\_ 19. LIMITED RIGHT TO FIRE

The contractor cannot be fired so long as he produces a result which meets the contract specification.

\_\_\_\_\_ 20. NO COMPENSATION FOR NON-COMPLETION

The contractor is responsible for the satisfactory completion of the job and is legally obligated to compensate Caltrans for failure to complete.



STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION  
**MBE / WBE / DVBE PARTICIPATION REQUIREMENTS / INSTRUCTIONS**  
 (STATE / LOCAL FUNDED CONTRACTS OVER \$10,000)  
 ADM-0222 (REV. 11/91) Front Page 1 of 3

## GENERAL INFORMATION

Public Contract Code 10115, et seq., and Military and Veterans Code Section 999, et seq., require that competitively bid, negotiated or sole source state funded contracts over \$10,000 for construction, professional services, materials, supplies, equipment, alteration, repair, or improvement shall have statewide participation goals of 15% for Minority Business Enterprises (MBEs); 5% for Women Business Enterprises (WBEs) and 3% for Disabled Veteran Business Enterprises (DVBEs). These goals apply to the overall contract dollar amount expended each year by the Department of Transportation (Caltrans).

Caltrans has established a 15% goal for MBE, a 5% goal for WBE and a 3% goal for DVBE participation expressed as a percentage of the dollar value. It is the Contractor's responsibility to make a sufficient portion of the work available to subcontractors and suppliers and to select those portions of the work or material needs so as to ensure meeting the goals for MBE/WBE/DVBE participation. Bidders must indicate in the bid/cost proposal the percent of MBE/WBE/DVBE participation expected to be attained.

In order to be eligible for award of a contract, bidders must either have met the goals for MBE/WBE/DVBE participation, or provide documentation to establish that prior to bidding, the bidder made good faith efforts to do so. Final determination of goal attainment or good faith effort by the bidder will be at the Department's sole discretion.

A MBE, WBE or DVBE may participate as a prime contractor, subcontractor, joint venture partner, a vendor of materials or supplies. A MBE, WBE or DVBE firm participating as a prime contractor will be credited toward the MBE/WBE/DVBE goal in an amount equal to the percent of work performed by the firm. In a joint venture, if one or more firms is a MBE, WBE or DVBE the percent of the work assigned to such a firm or firms will be credited toward the MBE/WBE/DVBE goal. Any business enterprise of which 50% is owned and controlled by a minority and the other 50% is owned and controlled by one or more women may be counted as either a MBE or a WBE for the purposes of meeting the participation goals, but no one such business enterprise shall be counted as meeting participation goals in both categories.

Any proposed DVBE participant that is also a MBE may be counted as both a DVBE and MBE and may meet both goals if receiving 18% or more of the bid dollars. Any proposed DVBE that is also a WBE may be counted as both a DVBE and WBE and may meet both goals if receiving 8% or more of the bid dollars. However, a DVBE may not be counted as both a MBE and a WBE, meeting all three requirements.

FM 91 1388

Any solicitation cost evaluation amount proposed for MBE/WBE/DVBE participation can only be counted once. That is, any further subcontracting or spending of MBE/WBE/DVBE designated solicitation cost evaluation amounts by the MBE/WBE/DVBE to another MBE/WBE/DVBE subcontractor/supplier will not count toward meeting the contract goal. Moreover, any part of a MBE/WBE/DVBE designated solicitation cost evaluation amount that is further designated for any other subcontractor involved in the same solicitation response (suppliers are acceptable) will not count toward meeting the contract goal.

## CERTIFICATION / APPLICATION FOR CERTIFICATION

MBE/WBE firms must be certified by the Caltrans Division of Civil Rights on the date of bid opening before credit may be considered toward meeting the MBE/WBE goal. A copy of the certification must be submitted with the bid proposal.

MBE/WBE firms interested in certification as a Caltrans MBE/WBE should contact the Division of Civil Rights, Department of Transportation, Box 942874, Sacramento, CA 94274-0001, (916) 654-4576 to obtain application forms. Certification takes a minimum of 4-6 weeks. Certification is valid for one year and must be renewed annually or at any time there is a change in the ownership or control of the firm.

**Self-certification or certification by another state agency cannot be accepted by Caltrans for MBE/WBE.**

DVBE firms must be certified by the Office of Small and Minority Business (OSMB) by the bid opening date before credit may be considered toward meeting the DVBE goal requirement. A copy of the certification from OSMB must be submitted with the bid proposal.

DVBE certification can only be issued by the Department of General Services, Office of Small and Minority Business. Requests for certification forms should be directed to the Department of General Services, Office of Small and Minority Business, 1808 14th Street, Room 100, Sacramento, CA 95814, (916) 452-6494.

**IMPORTANT - Applications for certification must be mailed to the designated state agency office and not to the Caltrans contracts office. It is recommended firms keep a copy of their application and follow-up with the Caltrans Division of Civil Rights or the Department of General Services OSMB to verify receipt and processing of their application.**

# MBE / WBE / DVBE PARTICIPATION REQUIREMENTS / INSTRUCTIONS

(STATE / LOCAL FUNDED CONTRACTS OVER \$10,000)

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## DEFINITIONS

**Minority Business Enterprise** is a business concern that is ALL of the following:

- 1) at least 51 percent owned by one or more minorities, or in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more minorities;
- 2) managed by, and the daily business operations are controlled by, one or more minorities; and
- 3) is a domestic corporation with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

**Women Business Enterprise** is a business concern that is ALL of the following:

- 1) at least 51 percent owned by a woman or, in the case of a publicly owned business, at least 51 percent of the stock of which is owned by one or more women;
- 2) managed by, and the daily business operations are controlled by, one or more women; and
- 3) is a domestic corporation with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, firm, or other business.

**Minority Business Enterprise and Women Business Enterprise** is a business concern of which 50 percent is owned and controlled by one or more minorities and the other 50 percent is owned and controlled by one or more women.

**Disabled Veteran** means a veteran of the military, naval or air services of the United States with at least a 10 percent service-connected disability who is a resident of the State of California.

**Disabled Veteran Business Enterprise** is a business concern certified by the Department of General Services, Office of Small and Minority Business (OSMB) as all of the following:

- 1) It is a sole proprietorship at least 51 percent owned by one or more disabled veterans or, in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary which is wholly owned by a parent corporation, but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans;
- 2) The management and control of the daily business operations are by one or more disabled veterans.

The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern; and

- 3) It is a sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm, or other foreign-based business.

## BID REQUIREMENTS

In order to be considered responsive, the bidder must comply with either of the following alternatives and complete and return the attached Caltrans MBE/WBE/DVBE Goal form (ADM-0227) and Good Faith Effort form (ADM-0312).

MBE/WBE firms must be certified by Caltrans Division of Civil Rights by the bid proposal due date. A copy of the certification must be submitted with the bid/cost proposal.

DVBE firms must be certified by the OSMB by the bid/proposal due date. A copy of the certification from OSMB must be submitted with the bid proposal.

**Goals (see form ADM-0227)**

Commit to the use of MBE/WBE/DVBEs for not less than the goals established by identifying Caltrans certified firms to be used on the form attached.

If you or your firm is a MBE, commit to performing not less than the goals established for MBEs using your own forces and commit to using WBEs/DVBEs for not less than the goals established for WBEs/DVBEs under the contract by identifying them on the ADM-0227.

If you or your firm is a WBE, commit to performing not less than the goals established for WBEs using your own forces and commit to using MBEs/DVBEs for not less than the goals established for MBEs/DVBEs under contract by identifying them on the ADM-0227.

If you or your firm is a DVBE, commit to performing not less than the goals established for DVBEs using your own forces and commit to using MBEs and WBEs for not less than the goals established for MBEs and WBEs under contract by identifying them on the ADM-0227.

If goals have not been met, a good faith effort must be made. Good faith effort will be deemed to have been attained if ALL of the following are met and documented before the bid/proposal due date.

## **MBE / WBE / DVBE PARTICIPATION REQUIREMENTS / INSTRUCTIONS**

(STATE / LOCAL FUNDED CONTRACTS OVER \$10,000)

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### **Good Faith Effort (see form ADM-0312)**

Good Faith Effort is a sincere effort on the part of a potential contractor to seek out and consider minority, women and disabled veteran business enterprises as potential subcontractors, material, and equipment suppliers, or both, in order to meet the participation goals established.

Contact the Caltrans Division of Civil Rights current Supportive Services Consultant to identify potential MBE/WBE firms.

If goals have not been met or if only partial goals were met, a Good Faith Effort must be made. Good Faith Effort is demonstrated if ALL of the following are met and documented on MBE/WBE/DVBE Good Faith Effort form ADM-0312.

- 1) Contact the Caltrans Division of Civil Rights Supportive Services Consultant to identify MBE/WBE firms. For assistance with the DVBE program, contact the Division of Civil Rights (916) 654-4576.
- 2) Contact other state and federal agencies and local MBE/WBE/DVBE organizations to identify MBE/WBE/DVBE firms such as:
  - a) Department of General Services Office of Small and Minority Business, MBE/WBE/DVBE Program Coordinator, 1808 14th Street, Sacramento, CA 95814;
  - b) Local Federal Small Business and Veterans Administration Offices;
  - c) Local minority and disabled veteran business organizations or city or minority chamber of commerces;
  - d) MBE/WBE/DVBE assistance agencies.
- 3) Advertising in trade papers and papers focusing on MBE/WBE/DVBE (unless time constraints imposed by Caltrans to respond to the request for bids cannot be attained).
- 4) List names of MBE/WBE/DVBEs sent Invitations for Bids/Requests for Proposal (IFB/RFP) and provide copies of correspondence/telephone logs, etc.
- 5) List items of work for which the bidder/proposer requested subbids/subproposals or materials to be supplied by the contractor.
- 6) List reasons for rejection for solicited MBE/WBE/DVBEs.
- 7) Identify assistance extended to MBE/WBE/DVBE to remedy deficiencies in their bids/proposals.
- 8) Provide any additional data to support demonstration of good faith effort.

### **AWARD OF CONTRACT / SUBSTITUTIONS**

Award of this contract will be to the lowest responsive and responsible bidder/proposer whose proposal complies with all the requirements prescribed and who has met the goals for MBE/WBE/DVBE participation or has demonstrated, to the satisfaction of the State, that the bidder/proposer has made a Good Faith Effort to do so, and who has documented this effort as required by these instructions. Failure to do so may be cause for rejection.

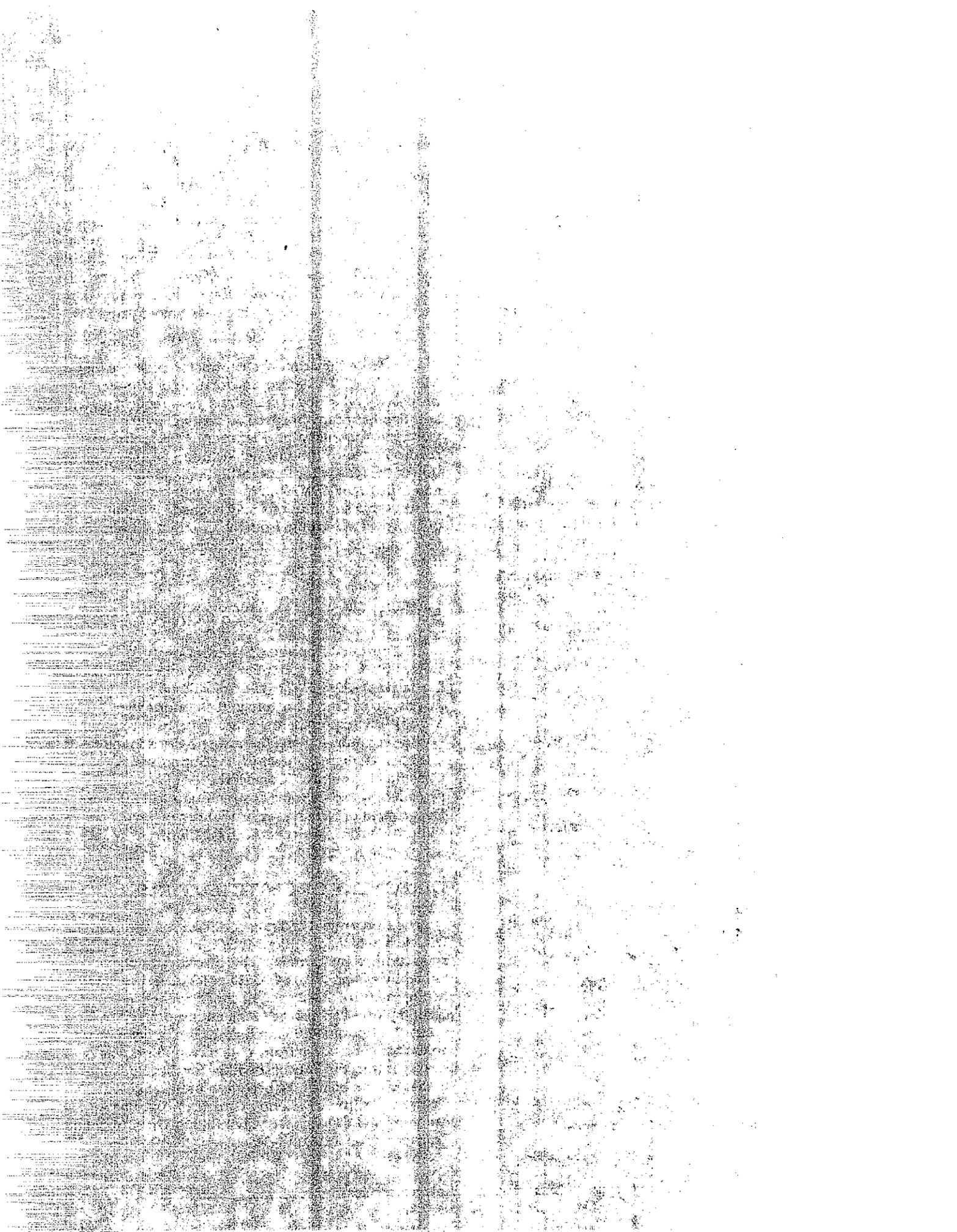
If awarded the contract, contractor must use the MBE/WBE/DVBE subcontractor and/or supplier proposed in the bid/proposal, unless a request for substitution has been approved, in writing, by the Caltrans Contract Administrator/Manager. At a minimum, the request for substitution must include a written explanation of the reason for the substitution and the identity and MBE/WBE/DVBE status of the person or firm substituted. No substitutions may be made without receipt of approval in writing, from the Contract Administrator/Manager. Failure to obtain approval may result in payment being denied.

### **SUPPORTIVE SERVICES CONSULTANTS**

The current Supportive Services Consultant for the Department of Transportation's Division of Civil Rights is attached (ADM 0192). The Consultant is available, at no-cost, to assist contractors in their efforts to meet the MBE/WBE Requirements. Since there have been no DVBE programs to date, there are no firms in the Caltrans database from which the Supportive Services Consultant can draw. Contact the list of agencies provided by the Caltrans District Contract Office or Department of General Services Office of Small and Minority Business who certifies DVBE firms.

### **DIRECTORY OF CERTIFIED FIRMS**

The Department of Transportation has a MBE/WBE Directory which identifies MBE/WBE firms that have been certified by Caltrans. This directory can be obtained by calling (916) 445-3520 or for A&E MBE/WBE listing call (916) 654-3509. A list of current Caltrans certified firms can also be obtained through use of the Caltrans Electronic Bulletin Board. The bulletin board is accessible via modem from a microcomputer. The service is free; the only cost will be for the telephone call to the bulletin board. To become a user, request a Caltrans Electronic Bulletin Board User Account Application from the Division of Civil Rights, Department of Transportation, (916) 654-3496.



The current Supportive Services Consultants which are under contract to the Department's Office of Civil Rights are listed below.

These Consultants are available to assist proposers/bidders in their efforts to meet the DBE/MBE/WBE/DVBE Requirements. The Consultants will assist proposers/bidders in identifying Caltrans Certified DBE / MBE / WBE / DVBE firms to be used as subcontractors.

If the Consultant is not available, contact the District Contract Officer responsible for the contract.

### **NORTHERN CALIFORNIA**

#### **Oakland**

NEDA  
1212 Broadway Suite 508  
Oakland, CA 94612  
(415) 271-8040  
(415) 271-8049 FAX  
Itasker Hollins

For list of Certified A&E Firms in Northern California, contact the NEDA Oakland Office only.

#### **Sacramento**

NEDA  
1779 Tribute Road, Suite J  
Sacramento, CA 95815  
(916) 649-2551  
(916) 649-2089 FAX  
Charles Willmer

#### **Fresno**

NEDA  
2010 N. Fine, Suite 103  
Fresno, CA 93727  
(209) 252-7551  
(209) 252-4605 FAX  
Nona Kollmansberger

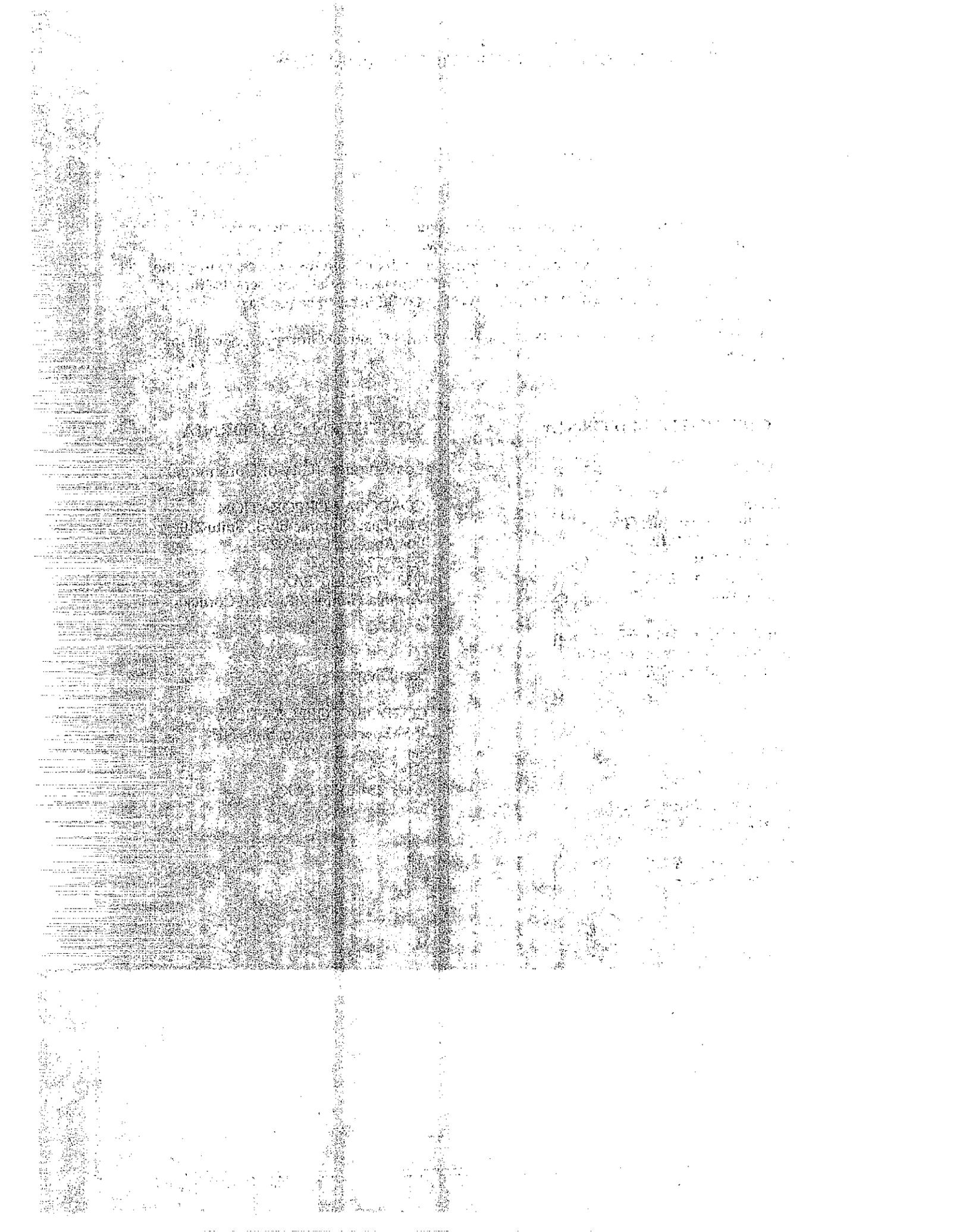
### **SOUTHERN CALIFORNIA**

#### **Los Angeles (City of Commerce)**

CORDOBA CORPORATION  
5400 East Olympic Blvd., Suite 210  
Los Angeles, CA 90022  
(213) 724-6935  
(213) 724-5940 FAX  
Virginia Hunter / Richard Cornejo

#### **San Diego**

CORDOBA CORPORATION  
1551 Fourth Avenue, Suite 503  
San Diego, CA 92101  
(619) 234-5848  
(619) 234-6502 FAX  
Jaime Telles



**MBE / WBE / DVBE GOOD FAITH EFFORT DOCUMENTATION**

(STATE / LOCAL FUNDED CONTRACTS OVER \$10,000)

ADM-0312 (REV. 11/91) Front Page 1 of 2

**THIS INFORMATION (ADM-0312) AND THE MBE/WBE/DVBE PARTICIPATION GOALS AND VERIFICATION (ADM-0227) MUST BE SUBMITTED WITH THE BID/COST PROPOSAL. FAILURE TO PROVIDE THIS INFORMATION MAY BE CAUSE FOR REJECTION OF BID / PROPOSAL.**

Bidders shall submit the following information to demonstrate that a good faith effort to meet the MBE/WBE/DVBE goals have been made even if the bidder's Caltrans MBE/WBE/DVBE Information form indicates the MBE/WBE/DVBE goal will be met, bidders should submit the following information to protect their eligibility for award of the contract.

Submittal of only the Caltrans Goal form will not normally provide

sufficient information to demonstrate that a good faith effort was made in the event that any of the justifications for meeting goals is rejected. A bidder/proposer may not meet the MBE/WBE/DVBE goals after the submittal is analyzed by Caltrans for various reasons, e.g., if the subcontractor submitted by the bidder/proposer was not certified by the date bids were opened or A&E SOQ or RFP submittal date or if the bidder/proposer made a mathematical error.

Use additional pages as needed. Also attach appropriate documentation such as copies of ads, etc.

1. List the names of potential MBE/WBE/DVBE firms identified through Caltrans' Supportive Services Contractor (ADM-0192), Caltrans Electronic Bulletin Board or Caltrans MBE/WBE/DVBE directory or from the Office of Small and Minority Business (OSMB).

DATE	SOURCE AND CONTACT PERSON	NAMES OF MBE/WBE/DVBE FIRMS

2. List the names of potential MBE/WBE/DVBE firms identified through other state and federal agencies or local MBE/WBE/DVBE organizations.

DATE	SOURCE AND CONTACT PERSON	NAMES OF MBE/WBE FIRMS

3. List the names and dates of advertisement of each trade paper and minority and DVBE focus paper in which a request for MBE/WBE/DVBE participation for this project was placed by the bidder / proposer (attach copy of ad):

PAPERS (TRADES, MINORITY & DVBE FOCUS)	ADVERTISING DEADLINE	DATES OF PUBLICATION

**MBE / WBE / DVBE GOOD FAITH EFFORT DOCUMENTATION**

(STATE / LOCAL FUNDED CONTRACTS OVER \$10,000)

ADM-0312 (REV. 11/91) Back Page 2 of 2

4. List the names and dates of notices of all certified MBEs/WBEs/DVBEs solicited by direct mail for this project and the dates and methods used for following up initial solicitations to determine with certainty which MBE/WBEs/DVBEs were interested. Attach copy of correspondence.

NAMES OF MBEs / WBEs / DVBEs SOLICITED	DATES OF SOLICITATIONS	FOLLOW-UP METHODS AND DATES

5. List items of work for which the bidder/proposer requested subbids/subproposals or materials to be supplied by MBE/WBE/DVBE, the information furnished interested MBEs/WBEs/DVBEs such as IFBs, RFPs, RFQs and/or plans, specifications and requirements for the work;

ITEMS OF WORK FOR WHICH SUBBIDS/SUBPROPOSALS WERE REQUESTED	INFORMATION FURNISHED TO MBE/WBE/DVBE	PERCENTAGE OF CONTRACT COST

6. List the names of MBEs / WBEs/DVBEs who submitted bid proposal for any of the work indicated above which were not accepted, provide a summary of the bidders/proposers discussions and/or negotiations with them, the name of the subcontractor or supplier that was selected for portion of the work, and the reasons for the bidders/proposers choice. If the reason for rejecting a MBE/WBE/DVBE was price, give the name of the rejected MBE/WBE/DVBE, their bid and the price bid by the selected subcontractor or supplier. Only significant price differences will be considered as cause for rejecting MBE/WBE/DVBE bids.

NAMES OF REJECTED MBEs / WBEs / DVBEs	SUMMARY OF DISCUSSIONS AND/OR NEGOTIATIONS

LIST THE NAMES OF SUBCONTRACTORS OR SUPPLIERS THAT WERE SELECTED OVER REJECTED MBEs/WBEs/DVBEs.

7. Assistance that the bidder/proposer has extended to rejected MBE's / WBEs / DVBEs identified above to remedy the deficiency in their subbids/subproposal:

8. Any additional data to support a demonstration of good faith effort, such as contacts with MBE / WBE / DVBE assistance agencies

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION  
**MBE / WBE / DVBE PARTICIPATION GOALS AND VERIFICATION**  
 (STATE / LOCAL CONTRACTS OVER \$10,000)  
 ADM-0227 (NEW 11/91)

**THIS INFORMATION (ADM 0227) AND THE MBE/WBE/DVBE GOOD FAITH EFFORT DOCUMENTATION (ADM 0312) MUST BE SUBMITTED WITH THE BID/COST PROPOSAL. FAILURE TO PROVIDE THIS INFORMATION MAY BE CAUSE FOR REJECTION OF BID / PROPOSAL.**

CONTRACT NO.	DATE ADVERTISED IN CALIF. STATE CONTRACTS REGISTER		BID/RFP OR A&E SOQ DUE DATE
TOTAL BID AMOUNT \$	MBE 15% GOAL AMOUNT \$	WBE 5% GOAL AMOUNT \$	DVBE 3% GOAL AMOUNT \$
BIDDER'S/PROPOSER'S BUSINESS NAME			
BIDDER'S/PROPOSER'S BUSINESS ADDRESS			
NAME (Please type or print)		SIGNATURE OF BIDDER/PROPOSER	DATE
CONTACT PERSON (Please type or print)			BUSINESS PHONE ( )

No Goals Attained / Good Faith Effort Documentation Submitted       Goals / Good Faith Effort Documentation Submitted

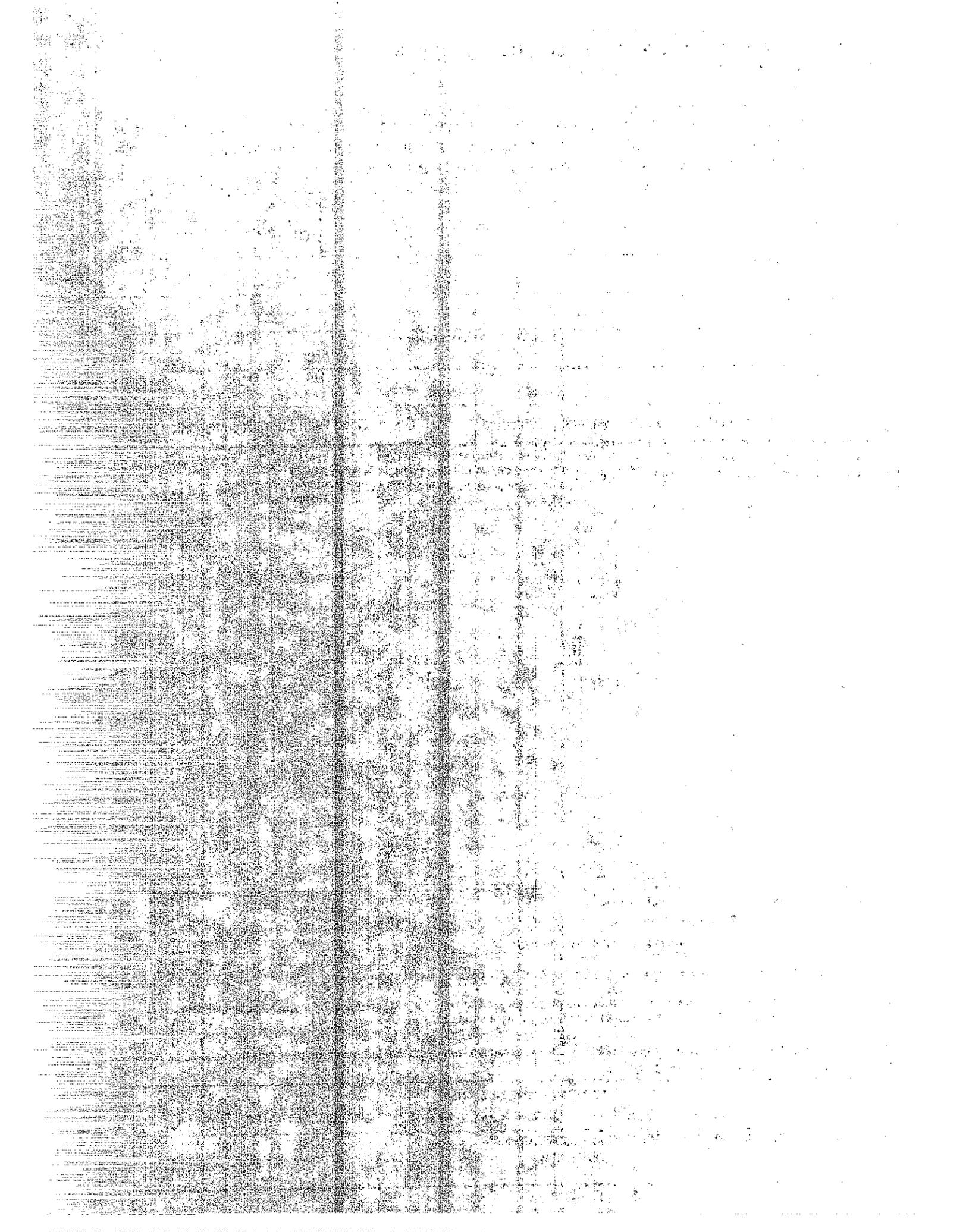
Item of Work and/or Description of Work / Service to be Subcontracted or Materials to be Provided** to Meet Goals	Tier*	Names of certified MBE/WBE/DVBE*** to be used toward meeting goals, include name of prime contractor if a MBE/WBE/DVBE.	Caltrans/OSMB Certification Number	ACTUAL AMOUNT BID				
				Dollar Amount	Percent			
					MBE	WBE	DVBE	
* Designate contracting tier: 0 = Prime or joint contractor; 1 = Primary subcontractor; 2 = Subcontractor / supplier of level 1; etc.				Total Claimed Participation	\$	%	%	%

\*\* If 100% of item is not to be performed or furnished by MBE / WBE / DVBE, describe exact portion.

\*\*\* MBEs / WBEs must be certified by Caltrans on the date bids/proposals are opened. For A&E contracts by the SOQ submittal date. DVBEs must be certified by the Office of Small and Minority Business by the date bids are opened.

**IMPORTANT:** Names of MBE / WBE / DVBE subcontractors and their respective item(s) of work to be performed or furnished should be consistent with the names and items of work submitted with your bid.

<b>FOR CALTRANS USE ONLY</b>			
MBE GOAL _____%	WBE GOAL _____%	DVBE GOAL _____%	GFE DEMONSTRATED <input type="checkbox"/> YES <input type="checkbox"/> NO
<b>VERIFICATION COMPLETED BY HQ / DISTRICT CIVIL RIGHTS LIAISON:</b>			
NAME	SIGNATURE	DATE	



ATTACHMENT F

DEPARTMENT OF TRANSPORTATION

**CONFIRMATION OF VERBAL BID -  
OTHER THAN FOR EQUIPMENT RENTAL**

DAS-OBM-366 (1/82)

Contract No. \_\_\_\_\_

Sheet \_\_\_\_\_

of \_\_\_\_\_

DESCRIPTION OF WORK: \_\_\_\_\_

The undersigned, as bidder, declares that he will enter into a service contract with the State of California, containing, but not restricted to, the applicable provisions set forth on this form for furnishing all labor, materials, tools, equipment and incidentals necessary to perform all work contemplated, at the following prices:

TOTAL BID \$ \_\_\_\_\_

If contract is for more than \$1,000, contractor to pay wages not less than those determined under Section 1770 of the Labor Code to be "prevailing".

The undersigned as bidder states that all the statutes, rules and regulations of the Federal Government applicable to work of the final amount of such Service Contract will apply to such contract, if Federal funds are involved.

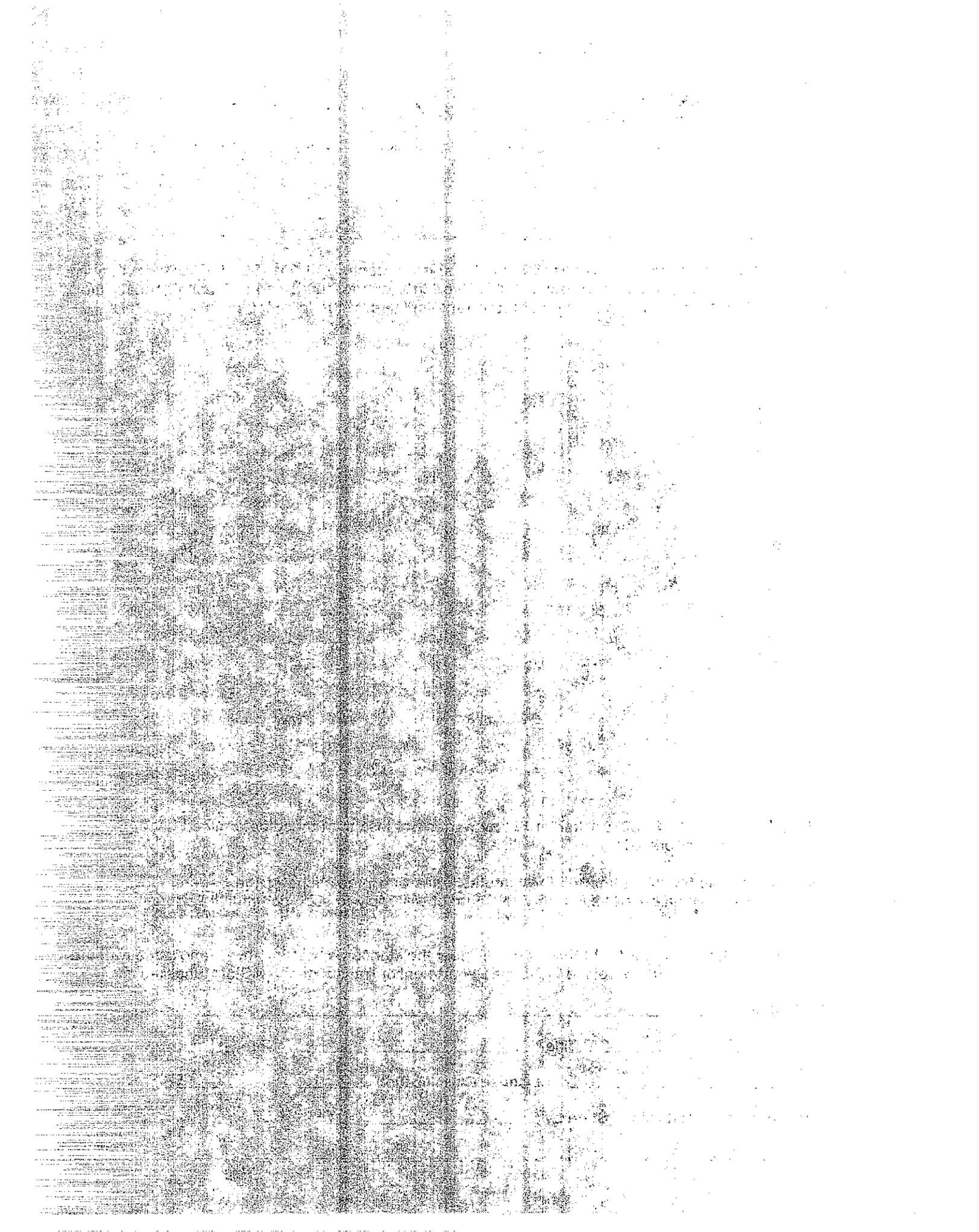
The undersigned as bidder certifies that he has or will meet the standards of affirmative compliance with the Fair Employment Practices requirements of the California Department of Transportation, if State funds are involved.

NAME OF CONTRACTOR \_\_\_\_\_

Signed by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_

License No. \_\_\_\_\_ License Classification \_\_\_\_\_

This confirmation of bid obtained for the State by \_\_\_\_\_



**ATTACHMENT G**

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION

**CONFIRMING SERVICE CONTRACT**

ADM-1414 (REV. 12/89) CT#7541-4523-7

CONTRACTOR (PLEASE PRINT)

BUSINESS ADDRESS		DISTRICT	CONFIRMING SERVICE CONTRACT NO.
		BUSINESS PHONE	DATE
		DATE SERVICE BEGAN	DATE SERVICE COMPLETED
		INDICATE IF YOU WILL INVOICE SEPARATELY <input type="checkbox"/> NO <input type="checkbox"/> YES      INVOICE NO. _____	
I hereby certify that this is a true and just bill and payment has not been received.		IF INVOICING SEPARATELY, MAIL _____ COPIES TO:	
CONTRACTOR SIGNATURE:			
TITLE (PRES., OWNER, MGR., ETC.)	CONTRACTORS LICENSE NO.		

The contractor agrees to furnish the service or rental as stated herein to the Department of Transportation and agrees to receive and accept as full compensation therefor the prices named herein:

TERMS: DISCOUNT \_\_\_\_\_ % \_\_\_\_\_ DAYS TOTAL \_\_\_\_\_

**The California Department of Transportation hereby agrees to the terms as above set forth and hereby agrees to pay same.**

**NOTICE TO CONTRACTOR**

The original of this *CONFIRMING SERVICE CONTRACT* will serve as your *INVOICE* to the California Department of Transportation (unless you otherwise indicated above), and is now in process of payment.

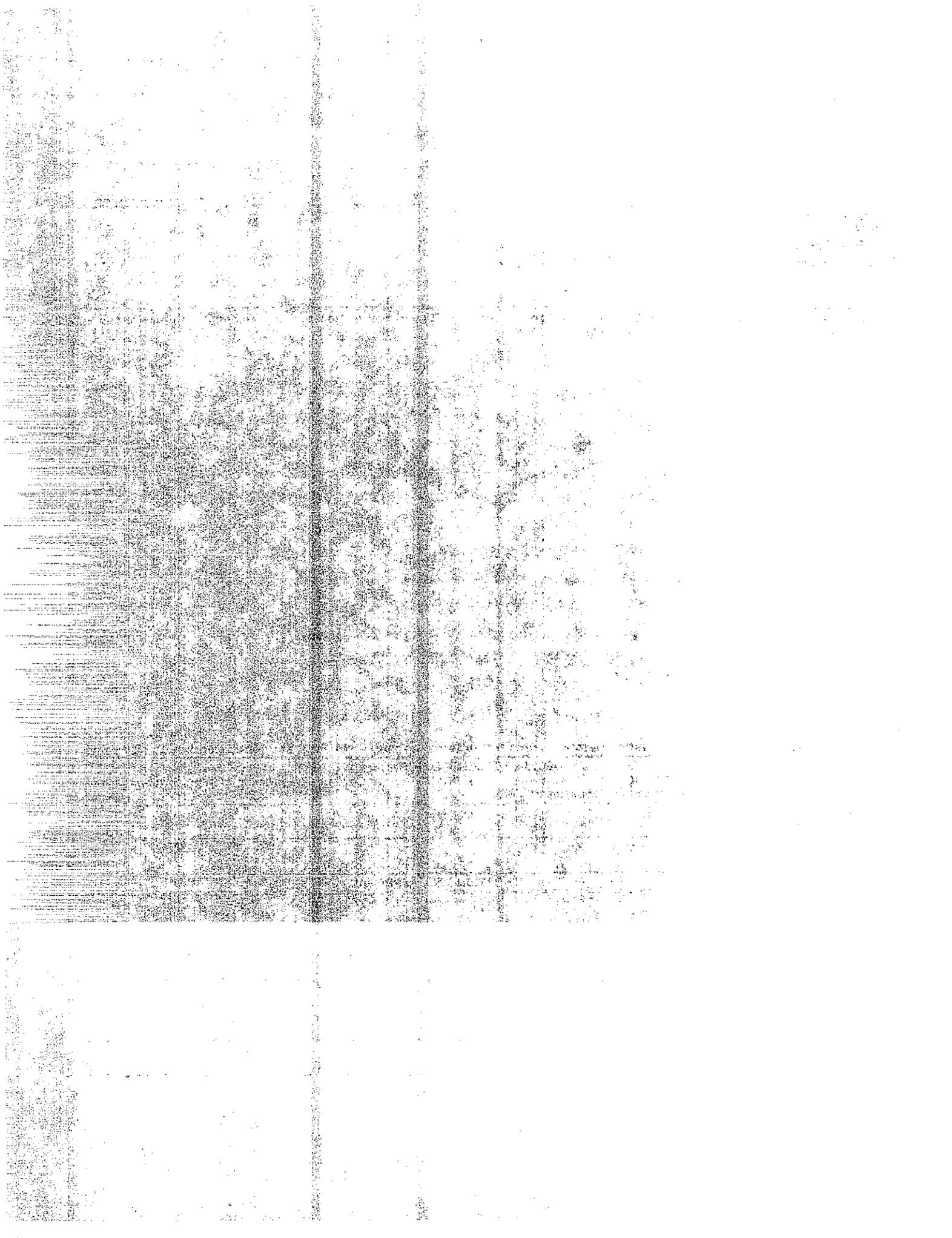
COMPANY NAME AND WHO CONTACTED	BID
COMPANY NAME AND WHO CONTACTED	BID

**DISTRICT CERTIFICATION AND APPROVAL**

APPROVAL RECOMMENDED	CONTRACT OFFICE APPROVAL
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SOURCE		CHG.	EXP. AUTH.		SPECIAL DESIGNATION		OBJECT	AMOUNT DEBIT OR CREDIT	FISCAL YEAR	FAM/PROB	CTY	ROUTE	P FROM PM	P TO PM
DIST	UNIT		GEN. LED.	SUB-ACCT.	SUBJOB NO. R/W PARCEL NO.	BRIDGE NO. ETC.								
		DIST	WORK ORDER NO.	PREFIX										

T.C.:                      VENDOR #:                      CLAIM SCHEDULE #:



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 COMPANY/ORGANIZATION NAME
 

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The contractor or grant recipient named above hereby certifies compliance with Government Code Section 8355 in matters relating to providing a drug-free workplace. The above named contractor or grant recipient will:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).
2. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(b), to inform employees about all of the following:
  - (a) The dangers of drug abuse in the workplace,
  - (b) The person's or organization's policy of maintaining a drug-free workplace,
  - (c) Any available counseling, rehabilitation and employee assistance programs, and
  - (d) Penalties that may be imposed upon employees for drug abuse violations.
3. Provide as required by Government Code Section 8355(c), that every employee who works on the proposed contract or grant:
  - (a) Will receive a copy of the company's drug-free policy statement, and
  - (b) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

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**CERTIFICATION**


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I, the official named below, hereby swear that I am duly authorized legally to bind the contractor or grant recipient to the above described certification. I am fully aware that this certification, executed on the date and in the county below, is made under penalty of perjury under the laws of the State of California.

OFFICIAL'S NAME

DATE EXECUTED

EXECUTED IN THE COUNTY OF

CONTRACTOR or GRANT RECIPIENT SIGNATURE

TITLE

FEDERAL I.D. NUMBER

