

# SECTION 2

## ORDER FOR PROFESSIONAL SERVICES REPORTING

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## **SECTION 2**

### **ORDER FOR PROFESSIONAL SERVICES REPORTING**

#### **2.1 GENERAL**

An Order for Professional Services (OPS) is the contract between the Authority and Engineers. OPS issued by the Authority require that invoices be submitted monthly and within 15 Calendar Days after the close of the report period. Invoices must be accompanied by Monthly Progress Reports, or they will not be processed for payment. If the Engineer neglects to submit an invoice for services in any given month, or over a period of months, the firm shall nevertheless be required to submit a Monthly Progress Report as described in this Section. Failure to do so creates a burden on the Authority's staff to properly track costs of services and schedules and it impairs their awareness of any circumstances which may arise that adversely affect both. Consequently, failure to submit Progress Reports each and every month that the assignment is in progress will be considered by the Authority as reflecting poorly on the quality of the Engineer's services and will be a factor in judging the merit of requests for additional compensation. As the nature of each project is different, any requirement identified may be waived at the discretion of the Authority's Project Manager.

#### **2.2 INVOICES**

A complete invoice submission includes the following information and documents:

1. A roster identifying staff that provided services during the report period, and the product of their approved hourly wage rate and the number of hours charged
2. A list of all direct expenses (expenses for which the Engineer is allowed to be reimbursed are defined under the terms of the OPS, in the Compensation Section)
3. Copies of individual expense accounts
4. Copies of vendor and subcontractor invoices
5. Copies of subconsultant invoices along with the same substantiating documentation as for the Engineer including Monthly Progress Reports
6. SBE Certificate of Participation Form
7. Monthly Invoice Summary, as shown in Exhibit 2 - 1
8. Monthly Narrative Progress Report, as shown in Exhibit 2 - 2
9. Monthly Project Staffing Status Report, as shown in Exhibit 2 - 3
10. Monthly Design Progress Schedule, as shown in Exhibit 2 - 4
11. Monthly Permit Status Summary, as shown in Exhibit 2 - 5

##### **2.2.1 Monthly Progress Reports**

It will be the responsibility of the Engineer to submit Monthly Progress Reports to the Authority's Project Manager on the first of every month if not included in an Invoice or as directed by the Authority's Project Manager.

Exhibit 2 - 2 shows a sample Monthly Narrative Progress Report. The Progress Reports shall consist of a written text and a Design Progress Schedule in the format outlined below. The written text is to follow the items of work shown on the Design Progress Schedule. Every item shown on the Schedule is to be covered in the text, and the order is to be the same each month. In discussing the items of work, the Engineer is to address the progress made during the past month, problems which have been resolved, new or old problems that require answers, the percentage completed for each item of work and for the overall project, work anticipated for the coming month, whether or not the individual items and overall project is on schedule, and if not, what steps are being taken to rectify the situation, and the status of permits required.

### **2.2.2 Design Progress Schedule**

Within two (2) weeks after the Notice to Proceed, the Engineer shall submit to the Authority's Project Manager for approval, the proposed breakdown of individual tasks to be completed during design. This breakdown shall reflect the different discipline types (e.g. Survey/Base Mapping, Utilities, Right of Way, Permits, Alignment, Drainage, Signing, Lighting, Structures, Toll Plaza, etc.), and the estimated duration for each phase. Exhibit 2 - 4 shows a sample Design Progress Schedule that is to be modified for project specific needs. The appropriate number of copies of the Design Progress Schedule, as directed the Authority's Project Manager, are to be submitted with each Monthly Progress Report.

### **2.2.3 Permit Status**

Exhibit 2 - 5 shows a sample Permit Status Summary that is to be modified for project specific needs. The appropriate number of copies of the Permit Status Summary, as directed the Authority's Project Manager, are to be submitted with each Monthly Progress Report.

## **2.3 WAGE RATE APPROVALS**

A roster of staff expected to be employed and charge time to the project is to be submitted to the Authority's Project Manager for approval. The internal list shall indicate name, ASCE grade and current rate. Subsequent submissions are required whenever rates for previously identified individuals are adjusted or new staff is added to the project. The roster shall include a complete listing of personnel working on the project including those previously approved. Invoices will not be processed for payment if the wage rates used to arrive at the invoice direct salary cost do not correspond with the approved wage rate list maintained by the Authority's Finance Department. A sample Wage Rate form is shown in Exhibit 2 - 6.

## **2.4 BILLINGS**

All billings by the Engineer shall be made to the Authority's Project Manager on Engineer's letterhead in the prescribed Invoice format as shown in Exhibit 2 - 1. All billings from outside agencies such as utility companies, etc. must be signed and approved by the Engineer before submittal to the Authority's Project Manager.

## 2.5 REQUEST FOR SUPPLEMENTS

OPS contain a caveat concerning the performance of services not included in the scope of the project. It is incumbent upon the Engineer to inform the Authority's Project Manager whenever the firm believes it has been required to perform such 'extra' services and to first secure agreement with the Authority for scope and fee before performing these services. Failure to do so burdens the Engineer with the risk of non-payment for performing unauthorized services. Without an agreed upon scope and fee, the Authority has no means of tracking costs against an estimated maximum amount. In effect, without a ceiling to respect, the Engineer cannot expect to receive a 'blank check' with no accountability for the efficiency of their operations or the cost of services.

Justifying additional compensation for underestimating the effort to perform in-scope services is extremely difficult. If the actual percent complete of each task is accurately reported, the completion of the Monthly Project Status Report spreadsheet (Exhibit 2 - 3) which accompanies each invoice will forecast an overrun. When the total 'Direct Salaries Status' column reflects a negative quantity, then the budgeted direct salaries and perhaps the total authorized fee are expected to overrun. Here again, timely recognition of this condition is important and the key to avoiding overruns, because with early discovery, the Engineer may have the opportunity to adjust and maximize the efficiency of their operations. Generally, overruns in performing in-scope services can be justified only if it can be shown that the situation has evolved as a result of conditions beyond the control of the Engineer, such as but not limited to: third party actions (or non-actions) of regulatory agencies; unexpected community or public involvement which hinders progress; and, the discovery of unanticipated site conditions. In any event, the Engineer cannot reasonably expect the Authority to compensate dollar for dollar for overruns after the fact (i.e., after the authorized fee is spent). As soon as the Project Status Report indicates a significant (>5 percent) overrun in direct salaries or unanticipated direct expenses, the Engineer must negotiate with the Authority and determine a course of corrective action to avoid an overrun, or alternatively, commit to a firm estimate well before the actual authorized fee is exceeded. In general, no supplement will be considered if the only legitimate reason is that the Engineer originally underestimated the effort required to complete a task.

## 2.6 CLOSEOUT PROCESS (FINAL INVOICE)

Upon completion of the services identified under the OPS which has been confirmed by the Engineer with the Authority's Project Manager, the last invoice submitted shall be identified as FINAL on both the letter of transmittal and invoice and on the SBE Certificate of Participation form if applicable. The FINAL invoice shall indicate that all work is completed and no further invoicing of the specified OPS shall be submitted.

**EXHIBIT 2 - 1  
SAMPLE MONTHLY INVOICE SUMMARY**

*(ON ENGINEER'S LETTERHEAD)*

Date:

New Jersey Turnpike Authority  
 Engineering Department  
 P.O. Box 5042  
 Woodbridge, NJ 07095-5042  
 Attention: *(Authority's Project Manager)*

OPS No.  
 OPS Title  
 Task Number (if applicable)

Invoice Number: (numbered sequentially starting with "1")  
 Invoice Period: mm/dd/yyyy to mm/dd/yyyy

Total Percent Billed:  
 Percent of Work Complete: (from Monthly Project Status Report)

	<b>Authorized Fee</b>	<b>Total Invoiced Through (invoice date)</b>	<b>Previously Invoiced</b>	<b>Amount Due This Invoice</b>
<b>Direct Salaries</b>	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
O & P (1.xx)	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
Direct Expenses	<u>x,xxx,xxx.xx</u>	<u>x,xxx,xxx.xx</u>	<u>x,xxx,xxx.xx</u>	<u>xx,xxx.xx</u>
Sub-Total	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
<b>Subconsultants</b>				
Sub A	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
Sub B	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
Sub C	<u>x,xxx,xxx.xx</u>	<u>x,xxx,xxx.xx</u>	<u>x,xxx,xxx.xx</u>	<u>xx,xxx.xx</u>
Sub-Total	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx
<b>TOTALS</b>	x,xxx,xxx.xx	x,xxx,xxx.xx	x,xxx,xxx.xx	xx,xxx.xx

Very truly yours,

Project Manager

**EXHIBIT 2 - 2**  
**SAMPLE MONTHLY NARRATIVE PROGRESS REPORT**

Date:

OPS No.

OPS Title

Task Number (if applicable)

Invoice Number: (numbered sequentially starting with "1")

Invoice Period: mm/dd/yyyy to mm/dd/yyyy

**MONTHLY NARRATIVE PROGRESS REPORT**

**1. Services Performed During the Invoice Period**

Describe services (activities) that were performed for each task comprising the OPS corresponding to the Monthly Progress Report spreadsheet, as for example,

- a. Project Management
- b. Field Surveys
- c. Subsurface Exploration Contract
- d. Phase A Plan Preparation

**2. Services to be Performed Next Period**

In sequence as above

**3. Environmental Permits**

Describe services (activities) that were performed specifically related to the permit process and identify the target date for completion and obtaining the permit(s). To be included is a list of the various permits (navigation, coast guard, etc.) and grants (tidelands, riparian, etc.) that are required, when the required forms will be submitted, estimated time for approvals from the responsible agencies, and how this is coordinated with the Schedule in order to meet the various phase submissions and more importantly, that delays from unapproved permits will not impair advertisement or construction progress. As the design progresses, the status of these permits is to be covered in the written text as noted above and included in the permit status table.

**4. Decisions Required**

Identify activities on which progress is affected by the decisions of others. If there has been a lapse in the progress of an activity, identify which department, agency, and person is responsible for not furnishing timely decisions that affect the conduct of the services. If there are no decisions required indicate, 'None Required at this Time'.

**5. Schedule Issues**

Describe the status of the project progress, identifying which activities, if any, are behind schedule. It is essential that with each invoice, a computer generated bar chart (P3, Surtrak or MS Project) update be submitted, with the data date corresponding to the invoice date. Target bars should be included in the schedule in order to gauge planned and actual progress on an activity basis. If there is a reason to believe that the submission date of deliverables (a schedule milestone) will be delayed beyond the date originally committed, describe measures that can be taken to recover the original schedule. *In the event that a deliverable submission date is likely to be late, the*

*Engineer is responsible to apprise the Authority the moment such event is suspected to occur without waiting for the submission of an invoice progress report.*

**6. Budget Issues**

Describe in detail issues which have arisen to cause or threaten to cause a budget overrun. The Progress Status Report spreadsheet will forecast this event by the display of a negative value for the 'Status' column. Be specific as to the date that the scope was increased or otherwise changed or alternatively, identify the factors beyond the Engineer's control that caused the firm to spend more time than was anticipated to perform in-scope activities. *In this regard, it should be noted that the terms of the OPS require the Engineer to provide ample notice and authorization by the Authority before performing services of any type that are likely to result in a budget overrun. As a rule, the Engineer should not expect to be compensated for performing such services by the issuance of an OPS supplement unless the Authority agrees that an increase in authorized fee is warranted. Progress Reports accompanying monthly invoices do not constitute the proper means for first alerting the Authority to budget issues. Early discovery of such instances must be the subject of formal written correspondence between the Engineer and the Authority.*

**7. Out of Scope Work**

Describe those activities which are deemed out of scope along with justification, anticipated schedule and anticipated costs.

**EXHIBIT 2 - 3  
SAMPLE MONTHLY PROJECT STAFFING STATUS REPORT**

**MONTHLY PROJECT STAFFING STATUS REPORT**

**Date:**  
**OPS No.:**  
**OPS Title:**  
**Invoice No.:**  
**Invoice Period:**

(A) No.	(B)TASK	PERSON-HOURS				DIRECT SALARIES				(K) Estimated Percent Complete	(L) Actual Percent Spent
		(C) Budget	(D) Spent	(E) Projected Total	(F) Status	(G) Budget	(H) Spent	(I) Projected Total	(J) Status		
1	Project Management	200	100	200	-	\$10,050	\$5,025	\$10,050	\$0	50.0	50.0
2	Field Surveys	800	920	920	(120)	\$26,040	\$29,946	\$29,946	(\$3,906)	100.0	115.0
3	Subsurface Exploration Contract	650	600	600	50	\$18,688	\$17,250	\$17,250	\$1,438	100.0	92.3
4	Phase A Plan Preparation	1,800	600	1,500	300	\$58,050	\$19,350	\$48,375	\$9,675	40.0	33.3
	TOTALS	3,450	2,220	3,220	230	\$112,828	\$71,571	\$105,621	\$7,207	67.8	63.4

(Negative) status predicts budget overrun  
 Positive status predicts budget underrun

Note: In addition to a report summarizing the progress of all participants, a spreadsheet report must be submitted individually for the prime and all subconsultants

Notes: Column K is estimated from actual task accomplished  
 Columns C & G, D & H are actual hour and dollar amounts from cost control systems  
 Columns E & I = Column D/Column K & Column H/Column K  
 Columns F & J = Column C - Column E and Column G - Column I  
 Column L = Column H/Column G

### EXHIBIT 2 - 4 SAMPLE DESIGN PROGRESS SCHEDULE

Activity ID	Activity Description	Orig Dur	Rem Dur	Early Start	Early Finish	2002												2003											
						J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O							
<b>Initial Work</b>																													
AA1000	Notice to Proceed	0	0	25JUN02A		◆ Notice to Proceed																							
AA1005	Develop Project Schedule	10	0	25JUN02A	01AUG02A	▬ Develop Project Schedule																							
AA1030	E110.85 Phase A Plans	33	0	03JUL02A	05AUG02A	▬ E110.85 Phase A Plans																							
AA1010	Project Coordination Meetings	260	46	10JUL02A	02JUN03	▬ Project Coordination Meetings																							
AA1020	Review Phase A/B Plans	20	0	10JUL02A	14AUG02A	▬ Review Phase A/B Plans																							
AA1060	Survey	25	0	10JUL02A	23AUG02A	▬ Survey																							
AA1040	E110.85 Phase A Submission	0	0		05AUG02A	◆ E110.85 Phase A Submission																							
AA1070	Update Base Mapping	10	0	19AUG02A	30AUG02A	▬ Update Base Mapping																							
AA1050	NJTA Review	10	0	02SEP02A	20SEP02A	▬ NJTA Review																							
<b>Phase B</b>																													
<b>Highway</b>																													
AA2025	MPT	40	0	17JUL02A	02DEC02A	▬ MPT																							
AA2000	Horizontal and Vertical Geometry	15	0	24JUL02A	26AUG02A	▬ Horizontal and Vertical Geometry																							
AA2005	Highway Plans	65	0	24JUL02A	02DEC02A	▬ Highway Plans																							
AA2010	Cross Sections	20	0	24JUL02A	02DEC02A	▬ Cross Sections																							
AA2020	Signing/Striping Plans	30	0	24JUL02A	02DEC02A	▬ Signing/Striping Plans																							
AA2030	Utility, Schemes of Relocations/Checklists	80	0	24JUL02A	02DEC02A	▬ Utility, Schemes of Relocations/Checklists																							
AA2035	Drainage Design	25	0	20AUG02A	06NOV02A	▬ Drainage Design																							
AA2040	Preparation of SEP Documentation	29	0	27AUG02A	06NOV02A	▬ Preparation of SEP Documentation																							
AA2015	Lighting Plans	20	0	17SEP02A	02DEC02A	▬ Lighting Plans																							
Start Date	05JUN02	▬ Early Bar		SI09		Sheet 1 of 4																							
Finish Date	19AUG03	▬ Progress Bar				<b>OPS No.</b> <b>Project Title</b>  <b>Final Design Schedule</b>																							
Data Date	31MAR03	▬ Critical Activity																											
Run Date	07MAR07 10:12																												







**EXHIBIT 2 - 5**  
**SAMPLE PERMIT STATUS SUMMARY**  
 (to be modified for project specific needs)

<b>STATUS OF PERMITS</b>	
<b>OPS NO.</b>	
<b>PROJECT TITLE</b>	
<p><b>USACE</b>                      Section 404 Permit</p>	<p>Initial Permit 93-03440 &amp; 93-03441 issued 12/97 and 1/99 respectively,  <b>Permit (modification) Number 93-03441-1 issued 5/6/02.</b>                      The conservation easement was submitted to USACE on 1/31/02.                      USACE recommended revisions to the Preservation Area map. Additional information provided to NJTA regarding USACE recommendations in June 2003.</p>
<p><b>NJDEP</b>                      Stream Encroachment Permit/WQZ/CZM                       EO215 EIS</p>	<p>All input needed by June 1, 2004 (concurrent with Phase B) SEP/WQC/CZM application to be submitted to NJTA on June 15, 2004.                      SEP/WQC/CZM application to be submitted to NJDEP on July 1, 2004.                      Permit issuance by November 1, 2004.</p> <p>EIS submitted to NJTA for review on April 8, 2004.                      Comments from NJTA by April 21, 2004.                      To be submitted to NJDEP for review on April 30, 2004.                      Conditional approval by June 30, 2004.</p>

**EXHIBIT 2 - 6**  
**SAMPLE WAGE RATE APPROVAL**

*(ON ENGINEER'S LETTERHEAD)*

Date:

New Jersey Turnpike Authority  
Engineering Department  
PO Box 5042  
Woodbridge, NJ 07095

Attention: *(Authority's Project Manager)*

Re: Wage Rate Approval  
Order for Professional Services No.

Dear \_\_\_\_\_:

We are submitting, for your approval, the attached rate schedule of \_\_\_\_\_ employees working on the above referenced project.

Should you have any questions and or comments, please feel free to contact the undersigned.

Very truly yours,

Project Manager

Attachment

