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THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION

Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

His Excellency, Governor Christopher T. Sununu
And the Honorable Council
State House
Concord, New Hampshire 03301

Division of Finance
June 9, 2021

REQUESTED ACTION

Authorize the Department of Transportation (NHDOT) and the Department of Administrative Services Division of Public Works (NHDPW) to enter into a Memorandum of Agreement in the amount of $471,801.00 for FY 2022 and FY 2023 to support NHDPW with contract services provided by NHDOT, effective upon Governor and Executive Council approval through June 30, 2024. 37.1% Agency Income, 62.9% General Funds

Funding is available as follows for FY 2022 and 2023, and is contingent upon the availability and continued appropriation of funds in FY 2024 and beyond, with the ability to adjust encumbrances between State Fiscal Years through the Budget Office, if needed and justified:

	FY 2022	FY 2023
01-14-14-141910-5141 Division of Public Works 049-584996 Transfers to Other State Agencies	$231,795.00	$240,006.00

EXPLANATION

The purpose of this MOA is to identify all of the roles and responsibilities of NHDPW and NHDOT as they relate to the contract services provided by NHDOT to NHDPW. These services include vendor pre-qualification, project advertising, verification of bidding rules and regulations, support services for the contractors and data entry of approved contractors into the contracts administration software system.

The NHDOT Contracts group supports NHDPW in the process of securing contractors for the various public works projects around the state. The Contracts group prequalifies the general contractors, coordinates advertising dates and bid dates, including posting the invitation to bid, assists NHDPW with bid opening, authorizes the general contractors to bid, provides the general contractors a list of subcontractors interested in bidding, ensures the bidding procedures are followed, awards the contracts after receiving the signed bid tabulation, provides the contracts to NHDPW for G&C approval and maintains prepaid accounts for general contractors who purchase paper plans.

NHDPW is responsible for providing the invitation to bid to NHDOT, an information sheet and a smaller version of the invitation for advertising purposes, coordinates advertising and bid dates, posts project plans on the NHDOT website, provides signed bid tabulations and generates estimated cost for each project, inputs estimate into the estimated bidding system (iPD) and notifies NHDOT when this has been completed.

This agreement has been approved by the Attorney General's Office as to form, substance and execution.

We respectfully request your approval.

Sincerely,

Charles M. Arlinghaus
Commissioner
Department of Administrative Services

~~Ted Kupper~~ Theodore Kupper, PE
NHDPW Administrator

Victoria F. Sheehan
NHDOT Commissioner

Attachments

INTERAGENCY MEMORANDUM OF AGREEMENT

NH DEPARTMENT OF ADMINISTRATIVE SERVICES / DIVISION OF PUBLIC WORKS
AND
NH DEPARTMENT OF TRANSPORTATION

Administration and Transfer of Cost Agreement

THIS AGREEMENT is made the 4th day of June, ~~2020~~ 2021 by and between the State of New Hampshire Department of Administrative Services Division of Public Works, hereinafter referred to as the DPW, and the State of New Hampshire Department of Transportation, hereinafter referred to as the DOT, as follows:

1. **General Agreement:**
   Based on the agreement at a meeting held on August 22, 2018, with Victoria Sheehan, Commissioner, Department of Transportation, Marie Mullen, Director of Finance, Department of Transportation, Charlie Arlinghaus, Commissioner, Department of Administrative Services and Ted Kupper, Public Works, Department of Administrative Services. The Department of Transportation (DOT) regularly provides contract services for the Department of Public Works, (DPW) including vendor pre-qualification, project advertising, verification of bidding rules and regulations, support services for the contractors and data entry of approved contractors into the contracts administration software system. Beginning July 1, 2019, the DOT will invoice DPW for their services in accordance with the following process:

2. **Responsibilities of the parties:**
   DOT:
   - Prequalifies the general contractors (GCs). If not prequalified at bid time, within ten days of the bid date, DOT ensures all the required documents are submitted. Get references, obtain financials, present the information to the prequalification team members.
   - Coordinates advertising dates and bid dates. Posts the projects' invitation to bid, bid items, the estimate and the project description to the DOT internal website the day of advertising. Advertises DPW projects for the three week bidding period. During the bidding period, posts the log sheets for each project and tracks all addendums and addendum acknowledgments prior to opening the bid.
   - Assists DPW with bid opening and provides bid log sheets.
   - Authorizes the GCs to bid and, once paperwork has been received from the GCs, sets them up to bid electronically.
   - Provides the GCs a list of the subcontractors interested in bidding.
   - Ensures the bidding procedures are followed before authorizing contractors to bid on projects.
   - Awards the contracts after receiving the signed bid tabulation, gives the necessary paperwork to the GCs, and ensures that the GCs meet the requirements of the Attorney General's office. Provides the contracts to DPW for G&C approval.

Distributes all approved contracts and pertinent correspondence to the GCs and DPW. All completed within the DPW specifications of 20 days after the notice to proceed.

- Maintains prepaid accounts for GCs who purchase paper plans. Mails out prepaid statements monthly.

DPW:

- Provides the invitation to bid, an information sheet and a smaller version of the invitation for advertising purposes. Coordinates advertising and bid dates.
- Posts project plans on the DOT website the Thursday of the advertising week.
- Provides signed bid tabulations.
- Generates estimated cost for each project, inputs estimate into the estimated bidding system (iPD) and notifies DOT when this has been completed.

3. Allocation of costs:
   - <u>IPD Electronic Bidding and Prequalification Module depreciation costs</u>
     These costs will be allocated using the number of Public Works contracts processed during FY18 & FY19 over the total contracts for that period. During FY18 & FY19 DPW had 68 contracts out of a total of 219 contracts DOT processed. DPW's portion is 31.1% of the total contracts processed.
     This allocation will remain the same, at 31.1%, for the duration of this agreement – 5 years - at which point the software will have been fully depreciated. Total capitalized software is $1,022,700. 31.1% of this is $318,060. This equates to an annual billable depreciation cost for the e-bidding module of $63,612.

   - <u>DOT Bureau of Finance and Contracts costs</u>
     DOT Contract personnel salaries and benefits, IPD e-bidding module maintenance and hosting costs and other associated Contract's costs will be allocated as follows:
     The cost allocation percentage for the current year is calculated using the number of Public Works contracts in the previous fiscal year over the total DOT contracts processed in the previous year.

4. **Transfer of Costs:**
   - After an initial catch-up period, DOT will submit quarterly invoices to DPW for actual costs incurred by DOT per the above allocations. DPW will submit payment via the inter-governmental payment (IGP) process within 30 days of the invoice date.
   - DPW shall have the right at all reasonable times to inspect and review all documents, vouchers and records pertaining to this Agreement, including, but not limited to, accounting and auditing records upon which the costs to DPW are to be based.

5. **Term:**
   - This agreement will be in effect for five years from July 1, 2019. After expiration, this agreement. minus the IPD Electronic Bidding and Prequalification Module depreciation costs, stays in force until a new agreement is reached.

This AGREEMENT executed on the day and date first above written.

STATE OF NEW HAMPSHIRE
Department of Transportation

By: Victor F. Sheehan

STATE OF NEW HAMPSHIRE
Department of Administrative Services /Division of Public Works

By: Theodore Kupper, PE

Charles M. Arlinghaus
Commissioner
Department of Administrative Services

This AGREEMENT has been reviewed and is approved as to form and execution.

Date: 6/15/2021

Allison B. Greenstein
Office of Attorney General
State of New Hampshire

This is to certify that the GOVERNOR AND COUNCIL of the State of New Hampshire on the _____ day of _____, 2021 approved this AGREEMENT as Item # _____.

Date: _____

ATTEST:

By: _____
Secretary of State of New Hampshire