



*Expires – Upon Issuance of LPP*

## Local Assistance Procedures Manual Chapter 10 – Consultant Selection

### I. BACKGROUND

Title 23 Code of Federal Regulations (CFR), Section 172.7, referring to the administration of engineering and design related service contracts, states that “*Contracting agencies shall use the indirect cost rate established by a cognizant agency audit for the cost principles contained in 48 CFR Part 31 for the consultant.*”

To comply with 23 CFR, Section 172.7, this Office Bulletin revises Chapter 10 – *Consultant Selection* of the Local Assistance Procedures Manual (LAPM) by replacing the previous pre-award audit process with a new risk-based Architectural and Engineering (A&E) consultant audit process.

Other refinements to Chapter 10 have been made as well. Several audit-related Exhibits have been replaced, revised or newly created. The Consultant Agreement Reviewers Checklist (Exhibit 10-C) and Consultant Agreement Outline (Exhibit 10-D) have been updated to be consistent with each other and the updated chapter. References have been updated and many other technical changes have been included.

### II. POLICY

This policy is in effect immediately for all projects authorized for Preliminary Engineering after July 1, 2012, and for all projects with A&E consultant contracts awarded after September 1, 2012. **Regardless of project authorization or contract award date, starting January 1, 2013, all A&E consultant contracts submitted to Caltrans Audits and Investigations will need to follow the new risk-based audit procedures contained in the revised LAPM Chapter 10 attached to this Office Bulletin.**

### III. PROCEDURE

LAPM Chapter 10 – *Consultant Selection* is replaced in its entirety. The revised chapter is attached to this Office Bulletin.

### IV. APPLICABILITY/IMPACTS

Applicable to all local assistance funded A&E consultant contracts.

Recommended: Original Signed By \_\_\_\_\_ 11/30/12  
David Saia, Committee Chair Date

Approved: Original Signed By \_\_\_\_\_ 11/30/12  
Ray Zhang, Chief Date  
Office of Policy Development and Quality Assurance

Attachment: LAPM Chapter 10 – *Consultant Selection*