U.S. Department
of Transportation
**Federal Aviation
Administration**

Memorandum

Subject: **ACTION**: Independent Cost Estimates for A/E Proposals

Date: DEC 6 1999

From: Director of Airport Safety and Standards, AAS-1

Reply to Attn. of:

To: All Regions
ATTN: Manager, Airports Division and
AMA-600

AC 150/5100-14C, Architectural, Engineering, and Planning Consultant Services for Airport Grant Projects, requires an independent cost estimate for A/E proposals when the fee is $25,000 or more.

The costs of A/E services have escalated over the years, and the $25,000 standard is effectively a much lower threshold now than at the time it was adopted. In an effort to reduce administrative burden, speed up the selection process, and reduce the cost to airport operators, the general requirement for independent cost estimates is raised from $25,000 or more to $100,000 or more. The $100,000 limit conforms to the current limit for small purchase procurement and we believe most A/E services in that price range are usually straightforward, uncomplicated airport projects posing little risk. Further, we believe our field offices have sufficient experience to evaluate the fee for smaller contracts. This policy does not preclude the airport operator from obtaining an independent cost estimate for A/E proposals less than $100,000. Additionally it does not preclude the FAA from requiring independent cost estimates as deemed necessary on specific projects.

Paragraph 2-9.b., Informal Procedures, in AC 150/5100-14C establishes a limit of $25,000 or more for both A/E service agreements and independent cost estimates. The limit applicable to informal selection process for A/E agreements remains unchanged at $25,000 or more. The $100,000 or more criterion applies only to the independent cost estimate.

Accordingly, for A/E proposals under $100,000 the region/ADO may allow the airport sponsor, in lieu of an independent cost estimate, to determine reasonableness of cost in accordance with the criteria in paragraph 2-9.b., Informal Procedures, in AC 150/5100-14C.

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