



DBE & HUB Compliance for PEPS Contracts

2021 PEPS Conference

Lisa Merwin



Welcome & Overview

Compliance Resources

Contract Goals

Contract Attachment H Exhibits

Additional Compliance Forms

Questions



Welcome & Overview



- Assumptions
 - ✓ DBE or HUB Certified Firm
 - ✓ TxDOT Project or Contract Manager
 - ✓ Desire to understand TxDOT DBE or HUB Compliance Requirements
- Session Goals
 - ✓ Discuss Similarities & Differences Between the Program Requirements
 - ✓ Demystify Contract Goals
 - ✓ Outline Roles & Responsibilities for Project Managers
 - ✓ Provide Useful Resources



Compliance Resources



■ Handouts

- ✓ DBE NAICS Codes for Standard Work Categories
- ✓ RFP and Contract Provision Language
- ✓ TxDOT DBE and HUB Compliance Forms
- ✓ Links to TxDOT's Civil Rights Division Resources
- ✓ "How to Complete the HSP" Guide
- ✓ Roles and Responsibilities for Prime Provider, TxDOT PMs, and PEPS
- ✓ Links to Laws, Rules, Regulations



Conference Opportunities

- **PS-CAMS Demo Room**

(Veramendi C&D – Today, 3:00 pm – 4:30 pm, and Thursday 9:45 am – 11:15 am)

- **Reception for DRIVE Program**

(Spring Lake Ballroom - This evening 5:00 pm – 7:00 pm)



Contract Goals



DBE goals are based on specific types of work in the contract and the respective availability of DBE providers for each type of work.

What is advertised remains the contract goal for the life of the contract.

DBE provider must have corresponding NAICS Code to count toward the goal.

If Prime Provide is a Certified DBE, their percentage can count toward the contract goal (self-performance).

If a DBE firm losses DBE status, their DBE percentage is counted for the life of the contract.



HUB advertised goals are based on CPA's "Annual HUB Procurement Utilization Goal" for Professional Services work. Currently this is 23.7%.

This aspirational goal is what is advertised, and a Good Faith Effort should be made to achieve this percentage.

HUB subcontracting commitment shown on the HSP becomes the contract goal.

If a firm loses HUB certification, their percentage is counted for the remainder of the fiscal year.

When a firm's HUB status changes or the contract team changes, the HSP must be changed. This may change the contract goal.



Method 1. Awarding all subcontracting work to ONLY Texas Certified HUB subproviders.

Method 2. Awarding subcontracting work to Texas Certified & Non-certified HUB subproviders and does meet 23.7% goal.

Method 3. Awarding subcontracting work to Texas Certified & Non-certified HUB subproviders, and does not meet 23.7% goal.

Method 4. Not subcontracting any work. (self-performance)



Correctly completing the HSP is critical to approval





Contract Attachment H Exhibits



Federally Funded Contracts

- ✓ H-1 Subprovider Commitment Plan
- ✓ H-2 Subprovider Commitment Agreement
- ✓ H-3 Subprovider Monthly Progress Assessment Report (PAR)
- ✓ H-4 Subprovider Final Report

State Funded Contracts

- ✓ HSP (HUB Subcontracting Plan)*
- ✓ H-2 Subprovider Commitment Agreement
- ✓ H-6 Subprovider Monthly Progress Assessment Report (PAR)
- ✓ Form 2579 - HSP Progress Compliance*
- ✓ H-4 Subprovider Final Report

** There will not be an HSP or Form 2579 with Exhibits for contracts without a HUB goal*



■ DBE Exhibit H-1 - Subprovider Commitment Plan

- Subprovider activity commitment for the contract
- Living document, updated with changes to team and or commitment
- Changes to the team require a supplemental agreement (SA) to the contract *

*Prior to SA execution, required TxDOT Form 4010 – DBE Program Termination Request, and Form 4011 – DBE Program Substitution Request, as applicable.



■ HUB Exhibit HSP

- Subprovider activity commitment for the contract
- Living document, updated with changes to team and or commitment
- Changes to the team require a supplemental agreement (SA) to the contract*

* Requires TxDOT Form 2580 – HSP Change Request – approved prior to SA execution



■ DBE - Exhibit H-2 - Subprovider Commitment Agreement

- Subprovider activity commitment for the Work Authorization (WA) or Specific Deliverable Contract without Work Authorizations
- Living document, updated with changes to commitment
- Change to team requires a Supplemental Work Authorization (SWA)
- DBE - TxDOT Form 4010 and or 4011 approval required prior to SWA execution



▪ HUB - Exhibit H-2 - Subprovider Commitment Agreement

- Subprovider activity commitment for the Work Authorization (WA) or Specific Deliverable Contract without Work Authorizations
- Living document, updated with changes to commitment
- Change to team requires a Supplemental Work Authorization (SWA)
- HUB - TxDOT Form 2580 approval required prior to SWA execution



- DBE Exhibit H-3 - Progress Assessment Report (PAR)
 - Project management tool to monitor subprovider activity
 - Completed monthly using PEPS PS-CAMS consultant portal
 - Collects data for Federal reporting requirements



- HUB Exhibit H-6 - Progress Assessment Report (PAR)
 - Project management tool to monitor subprovider activity
 - Completed monthly using PEPS PS-CAMS consultant portal
 - Collects data for State reporting requirements



- DBE & HUB Exhibit H-4 - TxDOT Subprovider Monitoring System Final Report
 - Project management tool use to reconcile & close out contracts
 - Completed using PEPS PS-CAMS consultant portal after all invoices have been paid
 - Collects data for Federal & State reporting requirements



Additional Compliance Forms



- Attachment 4 – Subprovider Contact Information - RFP
 - Must list all Subprovider firms contacted for teaming efforts for the solicitation, regardless if they are selected to be part of the team for this solicitation.
 - Required on every Federally funded contract.
 - Includes DBE and HUB status.



■ Commercially Useful Function (CUF) Review Form

The DBE must have a Commercially Useful Function (CUF) in the transaction for which DBE credit is given

- Required on every Federally funded contract
- Occurs once per contract
- Ten-day response from provider
- Completed in DocuSign



- Form 4010 – DBE Program Termination Request
 - Used when Prime seeks to terminate a DBE subcontractor that is being used for DBE goal credit

- Form 4011 – DBE Program Substitution Request
 - Used when Prime seeks to substitute and approved DBE firm with another DBE firm that is being used for goal credit



- Forms 4010 – DBE Program Termination Request and 4011 – DBE Program Substitution Request
 - Approval is required prior to supplemental agreement or supplemental work authorization execution
 - Initiated by Prime Project Manager
 - Reviewed by TxDOT PM
 - Completed by PEPS Service Center



- TxDOT Form 2579 – Monthly HSP Progress Compliance Form
 - Verification of Good Faith Effort to meet or exceed the HUB goal
 - Required on every State funded contract
 - Initiated by Prime Project Manager
 - Reviewed by TxDOT PM
 - Completed by TxDOT Civil Rights Division



▪ TxDOT Form 2580 – HSP Change Request Form

- Documents any changes to the contract team, division of work to HUB subproviders
- Approval is required prior to supplemental agreement or supplemental work authorization execution
- Initiated by the Prime Project Manager
- Reviewed by TxDOT PM
- Completed and Approved by TxDOT Civil Rights Division



Read Laws, Rules, and Regulations

Read RFP and Contract Attachment H Provisions

Monitor DBE & HUB Utilization

Always Download Current Forms

Ask Questions – Don't Guess



Questions



Lisa Merwin

TxDOT PEPS Division - Center of Excellence



Lisa.Merwin@txdot.gov



512-416-3303