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Using administrative qualification, precertification in professional procurements

When engineering services are being performed by local governments (LGs) on a LG project and they are being reimbursed with federal or state funds for those services, regulations require TxDOT to pre-approve their professional services procurement process and monitor their compliance. Two terms frequently used for professional procurements are “administratively qualified” and “precertification.”

Both terms only apply to professional services procurements, not construction procurements. “Administrative qualification” is a process used to verify that a consultant firm or provider has an indirect cost rate that meets Federal Acquisition Regulation (FAR) requirements. “Precertification” of individuals is a TxDOT procedure that is voluntary and establishes minimum technical qualifications to perform work in a standard work category.

When a LG is hiring a consultant and will be seeking reimbursement with federal dollars or providing an in-kind match, the selected firm must be administratively qualified. What is an administratively qualified consultant firm? Administrative qualification is based upon the firm’s accounting and cost structure. Administrative qualification is a process by which a LG or TxDOT verifies a firm has an indirect cost rate meeting FAR requirements. Administrative qualification is required on projects with federal dollars. Firms may demonstrate administrative qualification by an audit, by self-certification or TxDOT may approve the firm to use the safe harbor rate of its incorporated entity or business segment. TxDOT requires the use of the direct labor cost as the allocation base for allocating indirect costs. To maintain administrative qualification status, firms must annually submit a new Certified Public Accountant audit or selfcertification for re-analysis. A list of firms and their administrative qualification status with TxDOT is located at http://ftp.dot.state.tx.us/pub/txdot-info/des/cco/professional_services/qualified_firms.pdf.

What does it mean if an individual and/or firm is TxDOT precertified and how can a LG use TxDOT Precertification Work Categories to select a qualified firm? TxDOT precertifies, or prequalifies, individuals based upon prior work experience. Individuals demonstrate their experience in certain work categories by describing the work done on past projects. Precertification is granted or denied by TxDOT based upon this information. An individual can be precertified in multiple work categories but typically is not precertified in every category. A list of the “Precertification Work Categories” is available at http://ftp.dot.state.tx.us/pub/txdot-info/library/pubs/bus/design/attachment_b_precertification.pdf. Prime providers and subproviders who have precertified employees are precertified in the corresponding technical groups and categories (the 18 groups include multiple categories).

In the LG’s solicitation for a professional engineer, architect or other professional, the LG may require the consultant teams to have an individual precertified in a variety of specific work categories. For example, if a LG wants to prepare an environmental report and the Plans, Specifications and Estimate for a hike and bike trail with a pedestrian bridge, the LG may seek firms with professionals who are precertified in:

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- 2.14.1 Environmental Documentation Preparation;
- 5.1.1 Minor Bridge Design; and
- 9.1.1 Bicycle and Pedestrian Facility Development.

The use of precertification is not mandatory on LG professional services procurements but can be beneficial in many cases.

Whether the LG is using administrative qualification and/or precertification, the district's role is to verify these elements are included, as appropriate, in the LG's procedures for professional procurement, the LG's Request for Qualifications or Request for Proposals, and the professional services contract.

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