



PAVED

Projects Adding Value by Expanding Diversity

Civil Rights Division





CIVIL RIGHTS DIVISION

Texas Department of Transportation **PAVED** Transportation Summit

Ripley House Neighborhood Center
4410 Navigation Blvd., Houston, TX 77011
Friday, June 16, 2017 · 8:00 AM - 4:00 PM

-
- | | |
|---------------------|---------------------------------------------------------------------------------------------------------------------------|
| 8:00 AM – 9:00 AM | Registration Check-in Continental Breakfast |
| 9:00 AM – 9:30 AM | Welcome and Introductions Event Overview
<i>Laura Ryan, Commissioner, Texas Transportation Commission</i> |
| 9:30 AM – 10:00 AM | Case Study
<i>Oulsey Lacy, President/CEO, Lazer Construction Company, Inc.</i> |
| 10:00 AM – 11:00 AM | Prime Contractor (Construction Services) Panel |
| 11:00 AM – 12:00 PM | Prime Consultant (Professional Services) Panel |
| 12:00 PM – 1:00 PM | Lunch
<i>Financial, Access to Capital and Bonding</i>
<i>Mark DeWitt, Vice President and Partner, Holmes Murphy</i> |
| 1:00 PM – 2:00 PM | DBE Compliance and Construction Opportunities |
| 2:00 PM – 4:00 PM | Exhibit Hall/Prime and Subcontractor Networking |

Breakout sessions on the following topics will be held from 10:00 AM to 12:00 PM.

Navigating TxDOT
DBE Certification and Pre-Qualifications
City of Houston Disparity Study
Colette Holt, Colette Holt & Associates



Host Partners

Thank you to the following host partners:

Regional Hispanic Contractors Association (RHCA)

John Martinez

President

john@regionalhca.org

Ruben Landa

Vice Chairman

Ruben.landa@wsp.com



National Association of Minority Contractors (NAMC)

Lupe Gonzalez

Director

director@namctexas.org



Tri-County Black Chamber of Commerce (TCBCC)

Leondria Thompson

President & CEO

Leondria@tcbcc.org



Industry Partners

Thank you to the following industry partners:

- AGC of Texas
- Alliance Geotechnical Group
- Austin Bridge & Road
- Equify
- Ferrovial Agroman US Corp
- Fluor Corporation
- Granite Construction
- Holmes Murphy
- HNTB
- Iconic Consulting Group
- Kiewit Infrastructure Group
- McCarthy Building Companies
- United Rentals
- Webber
- WSP USA, Inc.
- Zachry Construction Corporation



Agency Partners

Thank you to the following agency partners:

- City of Houston
- Harris County Toll Road Authority (HCTRA)
- Metropolitan Transit Authority of Harris County, TX (METRO)
- Port of Houston Authority (POHA)



Presenters and Participants

Thank you to the following speakers and panelists:

Texas Department of Transportation

Laura Ryan
Commissioner
Texas Transportation Commission

Michael Bryant
Director – Office of Civil Rights
Michael.D.Bryant@txdot.gov

Don Barwick, Ph.D.
Program Specialist
Don.Barwick@txdot.gov

Sarah C. Blackburn, CTCM
Special Projects Coordinator
Sarah.Blackburn@txdot.gov

Joe Sanchez
Civil Rights Specialist
Joe.Sanchez8@txdot.gov

Darin Korbut
Construction Contracts Specialists
Darin.Korbut@txdot.gov

Carlton Cooper
Program Specialist
Carlton.Cooper@txdot.gov

Martha Arnold
Civil Rights Project Specialist
Martha.Arnold@txdot.gov

Michael Smith
Contract Specialist
Michael.Smith@txdot.gov

Martin Rodin
Director
Martin.Rodin@txdot.gov

Gail Morea
Transportation Engineer Supervisor
Gail.Morea@txdot.gov

Matthew Volkmann, P.E.
Transportation Engineer, Beaumont District
Matthew.Volkmann@txdot.gov

Larry Blackburn, P.E.
Transportation Engineer, Houston District
Larry.Blackburn@txdot.gov

Presenters and Participants

Thank you to the following speakers and panelists:

Collette Holt & Associates

Collette Holt
President

Holmes Murphy

Mark Dewitt
Vice President & Partner

Entech Civil Engineers, Inc.

Tony Gelacio
President

RS&H Texas

Kirk Fauri
Vice President and Texas CEI Leader

WSP USA, Inc.

Joseph Willhite
Vice President & Area Manager

HNTB Corporation

Darrin Willer
Vice President

Williams Brothers Construction Co, Inc.

Tracey Aping
Director, Business Development And Diversity

Zachry Construction Corporation

Rita Phillips
Supplier Diversity Officer

Grand Parkway Infrastructure / Webber LLC

Angela Berry Roberson
Director of Diversity Contract Compliance

Blueridge Transportation Group

Mary Campbell
DBE Liaison

Lazer Construction Company, Inc.

Ousley Lazcy
President



PEPS DIVISION

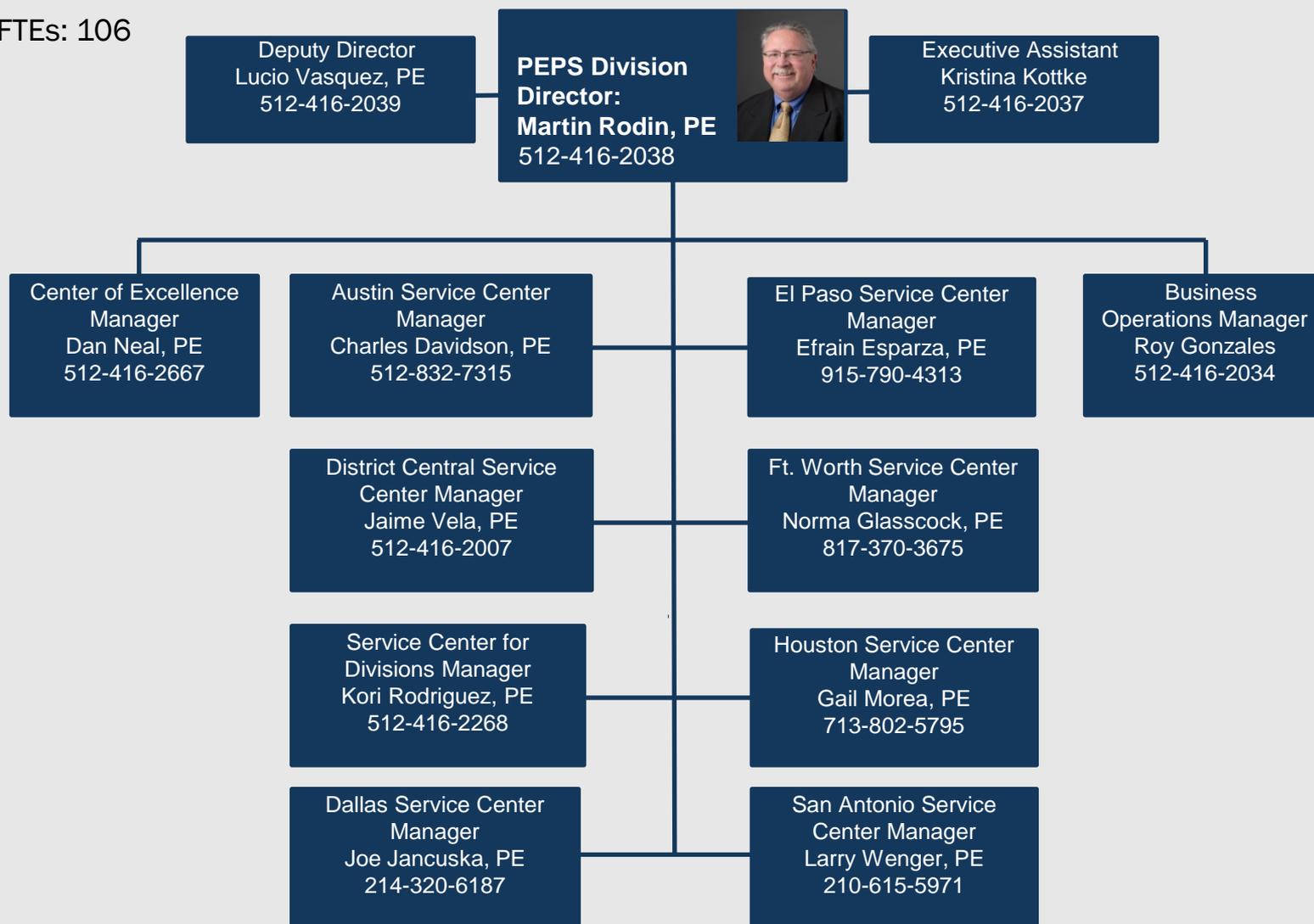
JUNE 2017

TxDOT PAVED Transportation Summit

Leadership and Organization

FTE Allocation: 100

Actual FTEs: 106



Leadership and Organization

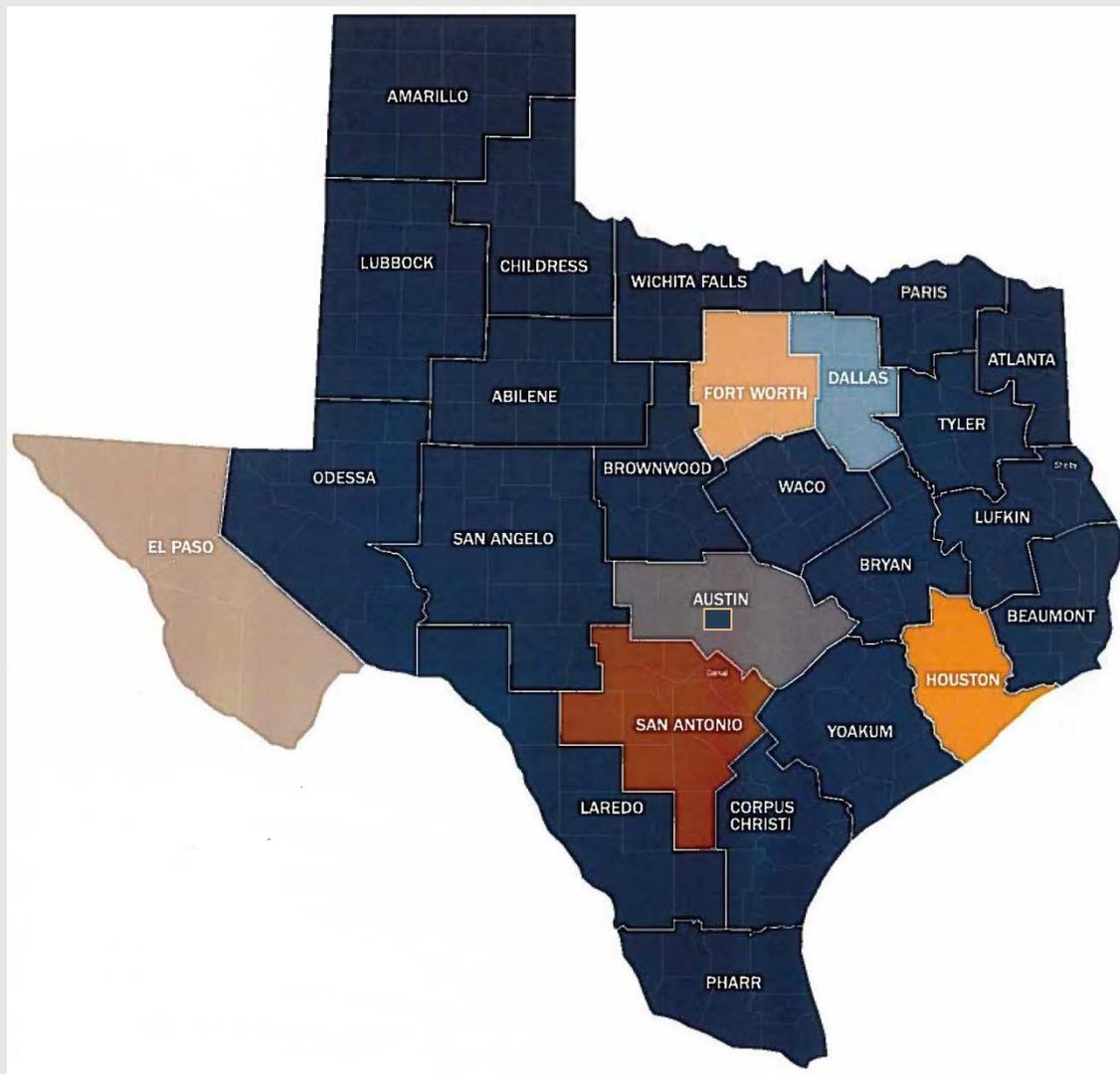
-  Austin Service Center – Charles Davidson
-  Dallas Service Center – Joseph Jancuska
-  Fort Worth Service Center – Norma Glasscock
-  Houston Service Center – Gail Morea
-  San Antonio Service Center – Larry Wenger
-  El Paso Service Center – Efrain Esparza
-  Central Service Center – Jaime Vela Jr.
-  Service Center for Divisions – Kori Rodriguez

Division Director – Martin L. Rodin

Deputy Division Director – Lucio Vasquez

Center of Excellence – Dan Neal

Business Operations Center – Roy Gonzales



Division Director's vision

Information Rich Environment

▪ Disqualifications

- ZERO disqualifications
- Improve contract screening
- Automate processes
- Earlier DQ notification
- Future electronic submittals

▪ Q&R Enhancement

- CST Boot Camps
- Intensive Q&R review
- Improved Q&R templates
- More PM/Team questions

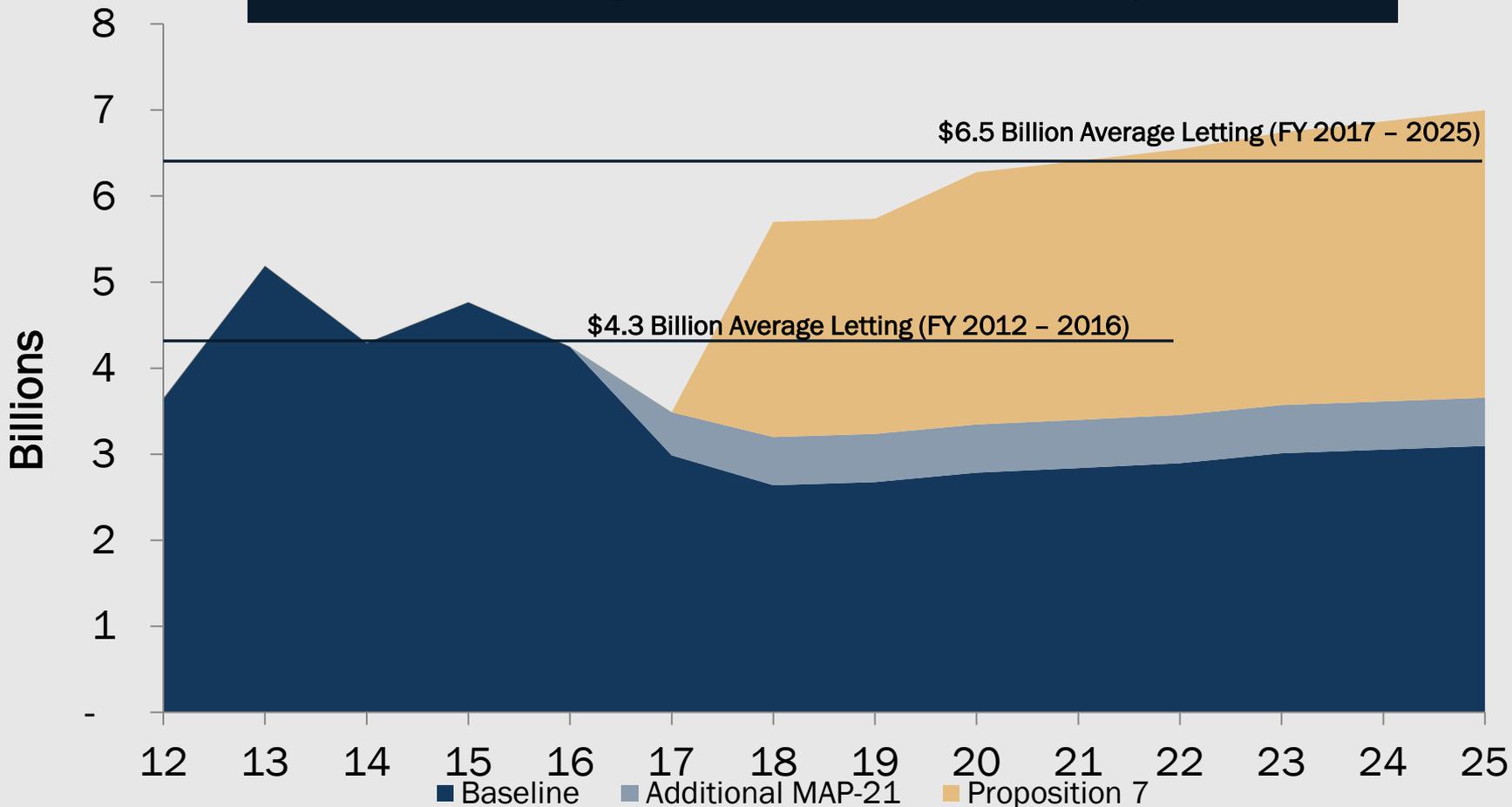
▪ Information Sharing

- Post annual procurement plan online
- Post CST member names in RFQ
- Monitor contract and WA execution
- Improve debrief process
- Improve negotiations
- Require evaluations



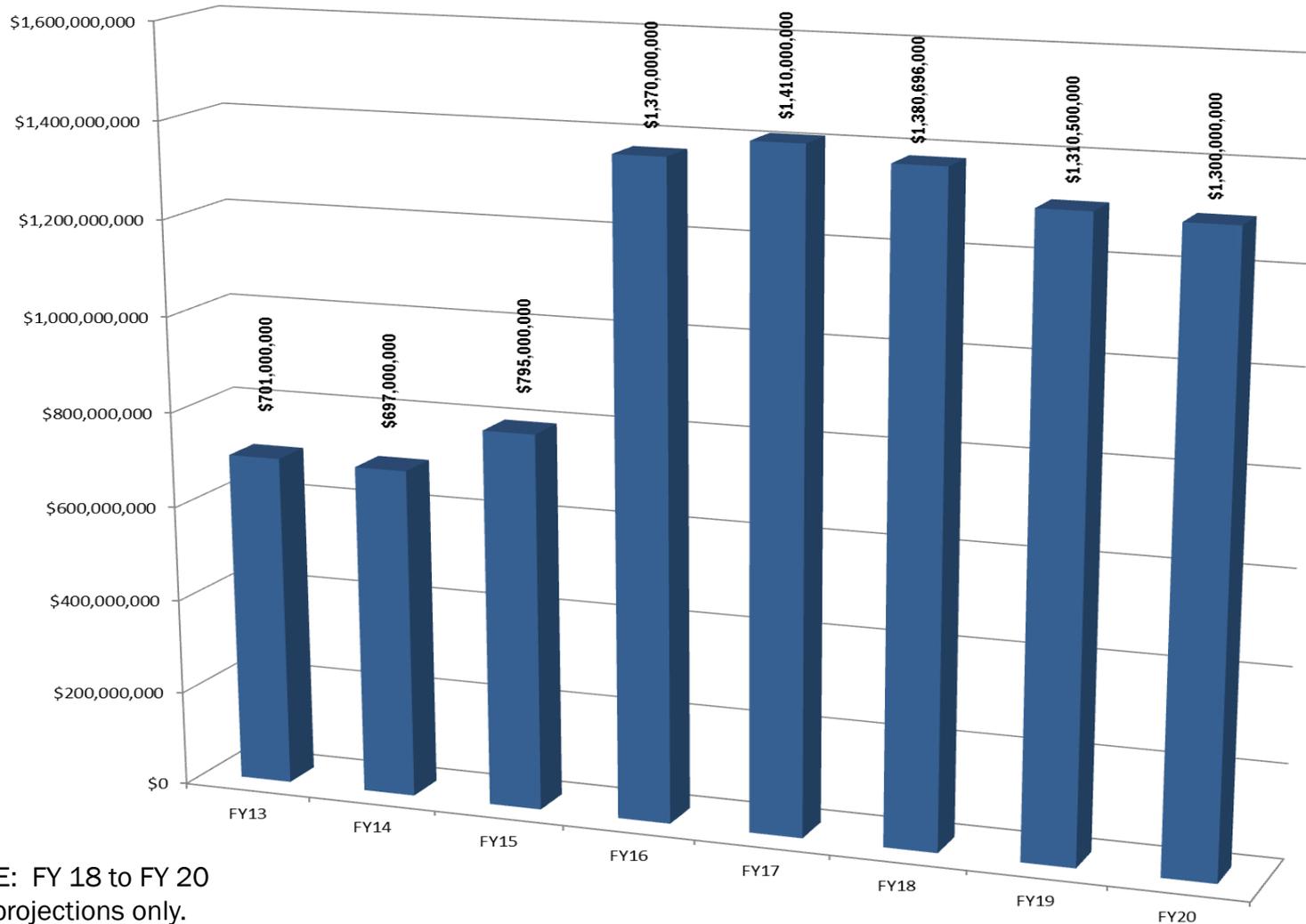
Future Letting – FY17 to FY25

Prop 7 Will Significantly Increase Letting Volume



Annual Consultant Procurements – FY 13 to FY 20

TxDOT CONSULTANT CONTRACTS - Annual Procurement



NOTE: FY 18 to FY 20 are projections only.

Future Annual Procurements

Architecture	\$6,000,000
Bridge Inspection	\$52,000,000
Bridge On/Off Replacement	\$9,000,000
Construction, Engineering, Inspection (CEI)	\$300,000,000
Critical Path Method Scheduling (CPM)	\$6,000,000
Engineering	\$1,000,000
General Engineering Consultant (GEC)	\$40,000,000
Geotechnical	\$19,000,000
Hydraulic	\$18,000,000
Other (describe in Comments)	\$16,000,000
Planning	\$17,000,000
Plans, Specifications and Estimates (PS&E)	\$400,000,000
Procurement Engineering (PcE)	\$20,000,000
Schematic	\$25,000,000
Schematic / Environmental	\$200,000,000
Schematic/Environmental/PS&E	\$45,000,000
Survey	\$60,000,000
Traffic Engineering	\$16,000,000
Traffic Signal Timing	\$5,000,000
Utility Engineering	\$12,000,000
Materials Engineering	\$12,000,000
Facilities Engineering	\$6,500,000
Independent Engineer (IE)	\$20,000,000
Traffic & Revenue (T&R)	\$5,000,000
Grand Total	\$1,310,500,000

Three categories make up 80% of the annual procurement.

- CEI
- PS&E
- Schematic/ENV

How do I get started?

Getting Started

- ✓ Be registered as a business with the State of Texas

<http://comptroller.texas.gov>

- ✓ Be registered as engineering firm with the Texas PE Board

<http://engineers.texas.gov>

- ✓ Obtain precertification with TxDOT

<http://www.txdot.gov/business/consultants/architectural-engineering-surveying/getting-started/precertification.html>

- ✓ Become administratively qualified with TxDOT

<http://www.txdot.gov/business/consultants/architectural-engineering-surveying/getting-started/administrative-qualification.html>

- ✓ Check the TxDOT webpage for listing of projected contracts and pre-RFQ meetings

http://ftp.dot.state.tx.us/pub/txdot-info/des/cco/professional_services/projected_contracts.pdf

- ✓ Submit your qualifications

Procurement Tips

- Check that all mandatory forms are in your package
- Keep alert to amendments
- Ask questions when you have the opportunity
- Showcase your PM and task leaders
- Focus on providing challenges, solutions and lessons learned
- Present innovative ideas or alternatives
- Be clear, concise and technical
- Use space wisely, it is not for marketing
- QA/QC the SOQ by referring directly to the RFQ Cover Page
- Use your best examples and give credit to the firm that did the work

Future Project Mix:

- 50% Indefinite Deliverable (ID) / 50% Specific Deliverable (SD)
- Future CEI can be SD by Project or ID by District
- Future GEC will be Specific Deliverable by project
- Minimize preclusion between Design and Construction
- Improve CST participation
- Pilot electronic SOQ submittals
- PM will be required to be precertified
- Annual and end of project evaluations are required

Wave 4 Details

- Wave 4 internal kickoff on July 6, 2017
- Total number of twenty one procurement events scheduled consisting of ninety one individual contracts

➤ CEI	1	\$ 15,000,000
➤ CPM	1	\$ 6,000,000
➤ Engineering	1	\$ 1,500,000
➤ GEC	2	\$ 28,000,000
➤ Materials Engineering	1	\$ 4,000,000
➤ Planning	1	\$ 4,000,000
➤ PS&E	5	\$204,500,000
➤ Procurement Engineering	1	\$ 20,000,000
➤ Schematic/Environmental/PS&E	3	\$ 58,000,000
➤ Schematic/Environmental	1	\$ 50,000,000
➤ Surveying	2	\$ 12,000,000
➤ Traffic Engineering	1	\$ 20,000,000
➤ Utility Engineering	<u>1</u>	<u>\$ 12,000,000</u>
	21	\$435,000,000

Disqualifications

Improvements

- Automation of AQ verification
- Automaton of precertification check
- Converting NLCs to precertified categories
- Earlier DQ notification
- Notifying precluded firms in advance
- Earlier debrief opportunities
- Replacement of PM and TL during solicitation



QUALITY DOES NOT HAPPEN BY ACCIDENT

OUR GOAL FOR CONSULTANT DISQUALIFICATIONS IS ZERO

99,999 DAYS SINCE OUR LAST DISQUALIFICATION

Procuring the most qualified consultants to deliver effective transportation solutions for Texans



PEPS

Automation

Updated PTC Form

- Populate information on PTC at push of a button
- Using Firm Sequence Numbers and Employee Precert numbers
- Verifying Administrative Qualifications and Precert status before submittal

**Project Team Composition
DBE Verification
Part 1 of 3
(Federal Process)**

TxDOT Assigned Goal: DBE: _____ 0.0% Solicitation Number: _____

Is your firm (Prime Provider) _____

Prime Provider Project Mgr				Administratively Qualified		% of work that prime provider and subproviders are responsible for			
Prime Provider				Yes	No	Prime	Non-DBE	DBE	Total
Firm Seq. No.	Acronym/Abbreviation*	Legal Firm Name**	Vendor ID Number						
testtest					X	60.00%	60.00%		
1	AIA	AIA ENGINEERS LTD.			X				
Subproviders									
253	HDR	HDR ENGINEERING INC.			X		20.00%		
297	PBI	PARSONS BRINCKERHOFF INC.			X		5.00%		
2409	RJR	RJ RIVERA ASSOCIATES INC.			X			15.00%	

**Project Team Composition
Task Leader Precertification
Part 2 of 3
(Federal Process)**

Solicitation Number: _____ Not Entered

Work Category No.	Category Name	E & D Related Services	Percentage Advertised	Firm Seq. No.	Firm Name	Emp. Seq. No.	Task Leader**	TxDOT USE Only: Precertification Date	
								Task Leader Date*	Firm Status Active? (Y/N)
1.1.1	Policy Planning		10.00%	1	AIA	3716			
1.2.1	Systems Planning		30.00%	1	AIA	14665	GUERRA JOSE R.	9/23/2005	Y
1.3.1	Subarea/Corridor Planning		5.00%	1	AIA	17	SCHWARTZ ZINA I.	11/17/1999	Y
1.4.1	Land Planning/Engineering	<input checked="" type="checkbox"/>	5.00%	1	AIA	18422	ORTEGA AMPARO	6/25/2013	Y

Points of Contact

Project Related Information

- District Engineers
- District Director of Transportation Planning and Development (TP&D)
- District Design Engineers
- Division Directors
- Directors of Construction

Procurement Related Information

- PEPS Service Center Managers (SCMs)
- Pre-RFQ meetings and workshops
- PEPS Center of Excellence
- PEPS Business Operations Center
- PEPS Procurement Engineers



The very first ever of its kind...

PEPS Division Conference
November 3, 2017
Omni Hotel- Southpark
4140 Governor's Row
Austin, Texas

WITH US
THERE'S

no "maybe-ty"

ONLY "SURE-TY"

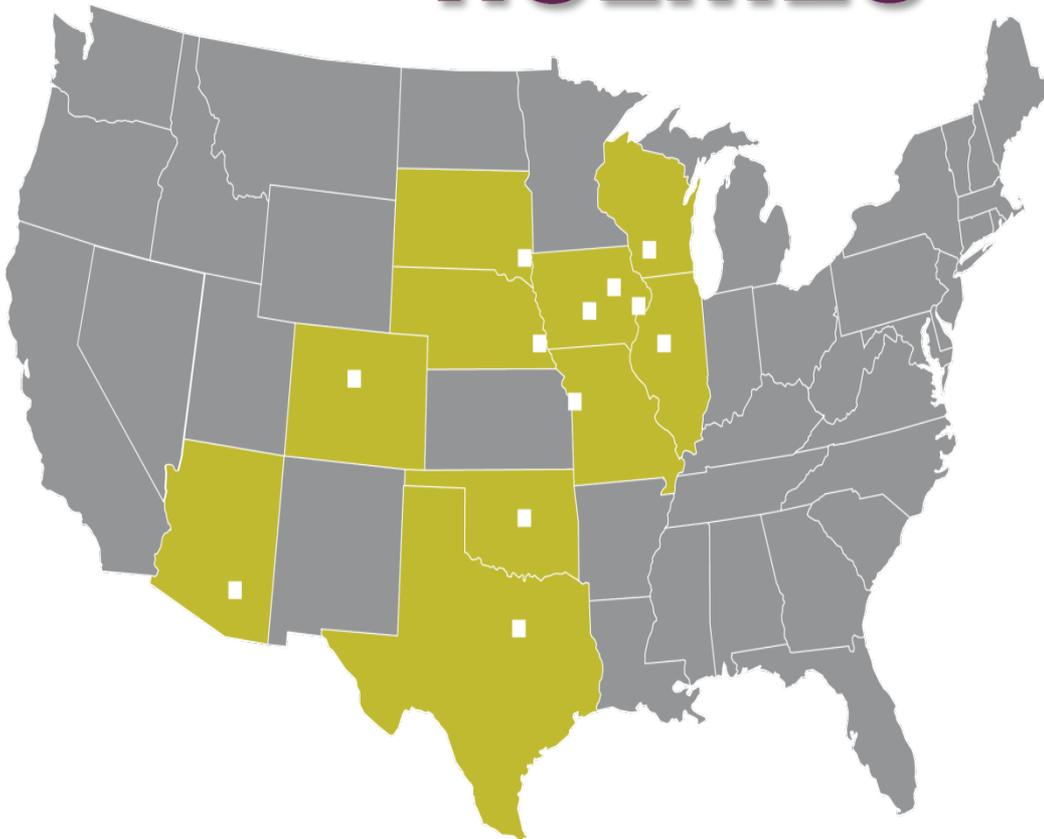


THERE'S NO

place

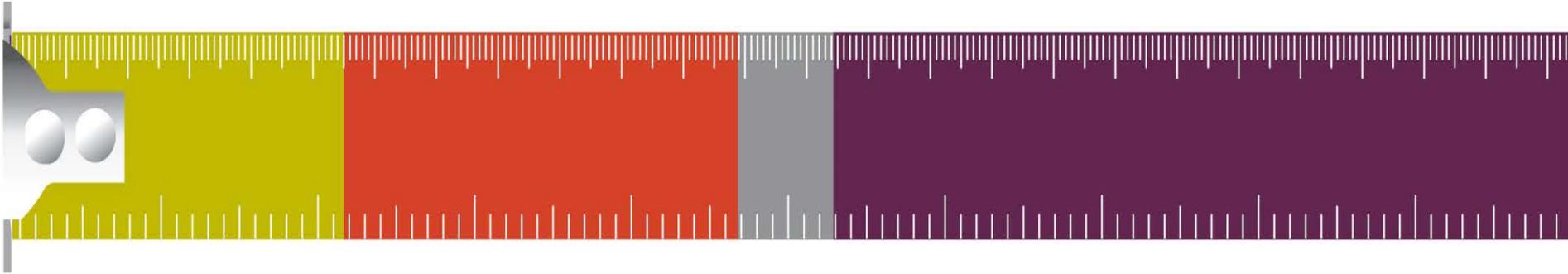
LIKE

HOLMES



HOLMES MURPHY & ASSOCIATES
IS AN 84 YEAR-OLD
**PRIVATELY HELD
& INDEPENDENT**
COMPANY WITH A STRONG
HISTORY OF INSURANCE
CONSULTING AND RISK
MANAGEMENT EXPERTISE.





GENERAL CONTRACTORS & OPERATIVE BUILDERS

HEAVY CONSTRUCTION

READY-MIX CONCRETE

SPECIALTY TRADE CONTRACTORS

MORE THAN
1,600
CONSTRUCTION
CLIENTS

1/3
OF OUR BUSINESS

DEDICATED
CONSTRUCTION TEAM, PROVIDING
EXCEPTIONAL DAY-TO-DAY
ACCOUNT MANAGEMENT,
PLACEMENT, LOSS CONTROL, AND
CLAIMS ADVOCACY



HOW LONG HAVE SURETY BONDS BEEN AROUND?

- **2,750 BC: Earliest known suretyship contract was written on a Mesopotamian tablet. According to the contract the farmer could not take care of his fields because he was drafted into the king's army, so another farmer offered to work the fields. The two agreed to split the profit evenly. A local merchant served as the world's first known surety by guaranteeing that the second farmer would keep his word.**
- **1792-1750 BC: Suretyship was first addressed in a written legal code – the code of Hammurabi.**
- **670 BC: The oldest surviving surety contract was written**
- **150 AD: The Roman Empire developed its first laws about surety.**
- **1837: William L Haskins proposed the first surety company in America – the New York Guarantee Company.**
- **1865: Fidelity Insurance Company became the first corporate surety company in the U.S.**



- **The Heard Act – 1894 - required surety bonds on federal funded projects for public work.**
- **The Miller Act – 1935 – required surety bonds on certain federal projects.**
- **The little Miller Act – many states have adopted their own laws requirng surety bonds for public works.**



Surety Bond: A guarantee or a promise by one party to assume responsibility for the debt or obligation of a borrower if that borrower defaults.

Three (3) parties involved:

- 1) Principal: responsible to perform the obligation (after which the bond becomes void);**
- 2) The surety: the company with the secondary responsibility of performing the obligation if the principal fails to perform;**
- 3) The Obligee: to whom the right of performance (obligation) is owed.**

- **Literally over 1,000 types of bonds**
- **Bid Bonds**
- **Performance and Payment Bonds**
- **Maintenance Bonds**
- **Release of Lien Bonds**
- **License and Permit Bonds**
- **Environmental**



- **Treasury Listing: approved sureties for federal projects and maximum job size accepted.**
www.fms.treas.gov/c570/c570.html
- **Best Rating: private industry financial rating & carrier size.**
 - Financial rating: A++ (Excellent) to F (Liquidation)
 - www.ambest.com

Market Share Report – Surety 2015

TOP 100 SURETY COMPANIES

Rank	Company	Market Share (%)	Direct Premiums Written (\$000)	Direct Losses Incurred (\$000)
		2015	2015	2015
1	Travelers Companies Inc.	13.84	\$ 781,753	\$ (12,069)
2	Liberty Mutual	13.30	\$ 751,381	\$ 167,849
3	Zurich Insurance Group	8.47	\$ 478,324	\$ 167,683
4	CNA Financial Corp.	7.57	\$ 427,730	\$ 63,433
5	Chubb Ltd.	7.10	\$ 401,396	\$ 19,375
6	Tokio Marine Group	4.33	\$ 244,343	\$ 35,966
7	Hartford Financial Services	3.18	\$ 179,772	\$ 49,383
8	IFIC Surety Group Inc.	2.85	\$ 160,843	\$ 20,390
9	American Financial Group Inc.	2.48	\$ 140,378	\$ 37,165
10	RLI Corp.	2.15	\$ 121,585	\$ 7,314



Rank	Company	Market Share (%)	Direct Premiums Written (\$000)	Direct Losses Incurred (\$000)
		2015	2015	2015
11	Lexon Surety Group LLC	1.94	\$ 109,517	\$ 15,691
12	Swiss Re Ltd	1.82	\$ 102,801	\$ 7,899
13	Arch Capital Group Ltd.	1.57	\$ 88,604	\$ 31,224
14	Merchants Bonding Co. (Mutual)	1.48	\$ 83,765	\$ 2,857
15	Hanover Insurance Group Inc.	1.47	\$ 83,323	\$ 37,943
16	W. R. Berkley Corp.	1.46	\$ 82,743	\$ 11,430
17	Fairfax Financial Holdings	1.33	\$ 74,887	\$ 41,615
18	SureTec Financial Corp.	1.29	\$ 72,975	\$ 6,865
19	AmTrust Financial Services	1.27	\$ 71,818	\$ 8,479
20	Argo Group International	1.07	\$ 60,698	\$ 5,409
21	Westfield Group	1.00	\$ 56,666	\$ 2,159
22	Grte Co. of North America USA	0.99	\$ 55,816	\$ 20,415
23	White Mountains Insurance	0.95	\$ 53,836	\$ 2,930
24	Alleghany Corp.	0.82	\$ 46,429	\$ 16,085
25	Old Repub International Corp.	0.81	\$ 45,921	\$ 2,766





- **Bank vs. Insurance**
- **Licensed & managed by carriers, product most resemble a banking relationship.**

A well run surety program = Increased Revenue & Profit for Contractor

Equals Good Solid Business Practices



QUALITY OF FINANCIAL PRESENTATION

- **COMPILATION**
- **REVIEW**
- **AUDIT**
- **CASH**
- **ACCRUAL**
- **% OF COMPLETION**

INTERNAL

- **TRACK WITH YEAR END**
- **FREQUENCY**
- **CONTROLS**





WORKING CAPITAL /EQUITY

- **Liquidity: Cash on hand to pay debts**
- **Working Capital**
- **Aged Accounts Receivable**
- **Cash value of life insurance**
- **Debt: current vs. long term & volatility of interest rate**
- **Equity**
- **Personal ability to contribute**



Character



- **How long were y** **nd for what?**
(wink-wink)
- **Reputation in the market place**
- **Credit rating: personal (such as Experian) and Corporate (D&B rating)**
- **Prior bankruptcy (ies)**
- **References: Banks, owners, vendors, etc.**



Capacity

- **Skill at work**
- **Equipment availability**
- **Internal & external bookkeeping & outside audit.
Do you have good numbers?**
- **Prior work experience**
- **Territory, employee stability, reputation w/subs,
type & turnover of work, backlog, etc**
- **Margin on work, How do you win work?**
- **Bid Spread**



Key Ratios for Surety Capacity

- **Working capital: 20 times capacity**
- **Net worth: 10 times capacity**
- **Debt to Equity: 3 to 1**
- **Overbillings/Underbillings: Change Orders, slow pay, problems on the job, unrecognized losses, etc.**
- **WC/Overhead: How long can company survive?**



In every surety underwriter's mind....

**Indicator
indicator**

**Unrealistic growth
Performance issues
Character issues
Accounting issues
Management issues**

% of cases with

37%

36%



- **Change in type of work performed**
- **Expansion into new area**
- **Significant increase in size of project(s)**
- **Rapid or over expansion**
- **Inexperience with new scope or type of work**
- **Personnel do not have adequate training or experience**
- **Insufficient personnel**
- **Retires, dies, leaves company, sells, change in leadership**
- **No ownership or management transition plan**
- **Inadequate cost and project management systems**
- **Estimating or procurement problems**
- **Lack of adequate insurance**
- **Improper accounting practices**
- **Failure to maintain solid accounting & Management Systems to track costs and billings**

- **Field labor productivity – average of 33% of time wasted (recoverable lost time)**
- **Materials usage – 37% of all construction material wasted**
- **Six most expensive woress in construction – “put that over there for now”**
- *Average piece of material moved four times after initial delivery*
- **Equipment utilization – Own/leased decision making**
- **Closeout – what does one month of general conditions cost?**
- **One week? What are the added costs of sloppy closeouts?**

PROPER PREPARATION PREVENTS POOR PERFORMANCE





thank you



DISADVANTAGED BUSINESS ENTERPRISE (DBE) PROGRAM OVERVIEW

Civil Rights Division



Code of Federal Regulations (CFR)

Title 49 - Transportation

Subtitle A – Office of the Secretary of Transportation

Part 26—Participation By Disadvantaged Business Enterprises in Department
of Transportation Financial Assistance Programs

49 CFR Part 26

Disadvantaged Business Enterprise (DBE)

- A for profit small business certified through the Texas Unified Certification Program, that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged; and
- Whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

Texas Unified Certification Program (TUCP)

Six certifying entities:

- City of Austin
- City of Houston
- Corpus Christi Regional Transportation Authority (CCRTA)
- North Central Texas Regional Certification Authority (NCTRCA)
- South Central Texas Regional Certification Authority (SCTRCA)
- Texas Department of Transportation (TxDOT)

Goal Attainment & Utilization Plans (UP)

The prime contractor shall utilize the DBEs listed in the prime's UP:

- Race-conscious DBE participation
- The DBE must be certified at the time of the commitment
- The DBE must be certified in the NAICS code applicable to the kind of work the firm would perform on the contract

Prime enters into a contractual arrangement with the DBEs listed in the UP specifying the work to be performed and the compensation for the work:

- Subcontract Agreement or Purchase Order (P.O.)
- The DBE must be certified at the time the subcontract or P.O. is executed

Goal Credit & Counting: Types of DBE Participation

Subcontractors – 100% credit

- Must perform 30% of work with its own forces
- Any work subcontracted to a non-DBE will not count

Material Suppliers

- Manufacturers – 100% credit (alter or fabricate product)
- Regular Dealers – 60% credit
 - Selling from inventory
 - Own and operate distribution equipment

Packagers, Brokers, Manufacturer's Representatives, Transaction Expeditors

- Fees or Commissions only
- Fees or Transportation Charges for the Delivery
- Do not count the cost of the materials or supplies

Goal Credit & Counting: Types of DBE Participation

DBE Trucking Firms – 100% credit

- May lease trucks from both DBEs and non-DBEs
- Limited credit allowed for the use of leased non-DBE trucks
- Manage and supervise the entire trucking operation
- Own and operate at least one (1) fully licensed, insured, and operational truck used on the contract
- Receives credit for using trucks it owns, insures, and operates using drivers it employs
- If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers – 100% credit

Commercially Useful Function (CUF)

A DBE performs a CUF when it is responsible for the execution of the work of the contract and is carrying out its responsibilities by actually:

- Performing
- Managing
- Supervising the work involved

Commercially Useful Function (CUF)

To perform a CUF, the DBE must be responsible, with respect to materials and supplies used on the contract for:

- Negotiating price;
- Determining quality and quantity;
- Ordering the material;
- Installing (where applicable) and
- Paying for the material itself.

Only when a DBE meets all of the requirements should DBE credit be counted for the procurement of the items by the DBE.

Goal Credit & Counting: Commercially Useful Function

- The DBE must be performing a CUF
- Credit is only counted if the prime has paid the DBE for the work performed
- No credit will be given for any materials, supplies, or equipment the DBE obtains from the prime or the prime's affiliates
- **If a CUF is not performed, goal credit will be denied**

Termination & Substitution

Any terminating or substituting of a DBE listed in the approved UP requires the following:

- Prior Departmental approval;
- Letter or notice of intent sent to the DBE;
- Documentation that the DBE was not willing or able to perform (e.g., Good Cause); and
- That the prime make a good faith effort to find another DBE to the extent needed to meet the goal.

Termination & Substitution

Good Cause:

- Failure or refusal to execute a written subcontract;
- Failure or refusal to perform the subcontract that is consistent with normal industry standards;
- The DBE firm goes out of business or exhibits credit unworthiness;
- The DBE voluntarily withdraws;
- The DBE is ineligible to receive DBE credit for the type of work performed;
- Other

The prime must provide the DBE with written notice of its intent and allow the DBE 5 days to respond.

Good Faith Efforts (GFE)

- A Contractor who cannot meet the contract goal, in whole or in part, must make adequate GFEs to obtain DBE participation as stated and defined in 49 CFR Part 26, Appendix A
- A GFE evaluation begins with the amount of work made available
- Quality of Efforts – not necessarily the quantity
 - Actively and aggressively trying to meet the goal
- Form 2603 - Contractors Certification of Good Faith Efforts

Good Faith Efforts (GFE): Considerations

- Soliciting the participation of DBEs (*time considerations*)
- Providing interested DBEs with the plans, specifications, and contract requirements
- Assisting interested DBEs in obtaining:
 - bonding
 - lines of credit
 - insurance as required by the contract
 - necessary equipment
 - supplies
 - materials
 - related assistance or services
- Effectively using the services of available minority/women community organizations; minority/women contractors' groups

References

- DBE Forms

<http://txdot.gov/business/partnerships/dbe-forms.html>

- TUCP Directory – Diversity Management System (DMS)

<https://txdot.txdotcms.com/>

Texas Department of Transportation

Civil Rights Division

125 East 11th St.

Austin, TX 78701

(512) 416-4700

CivilRights@txdot.gov

www.txdot.gov

Questions?

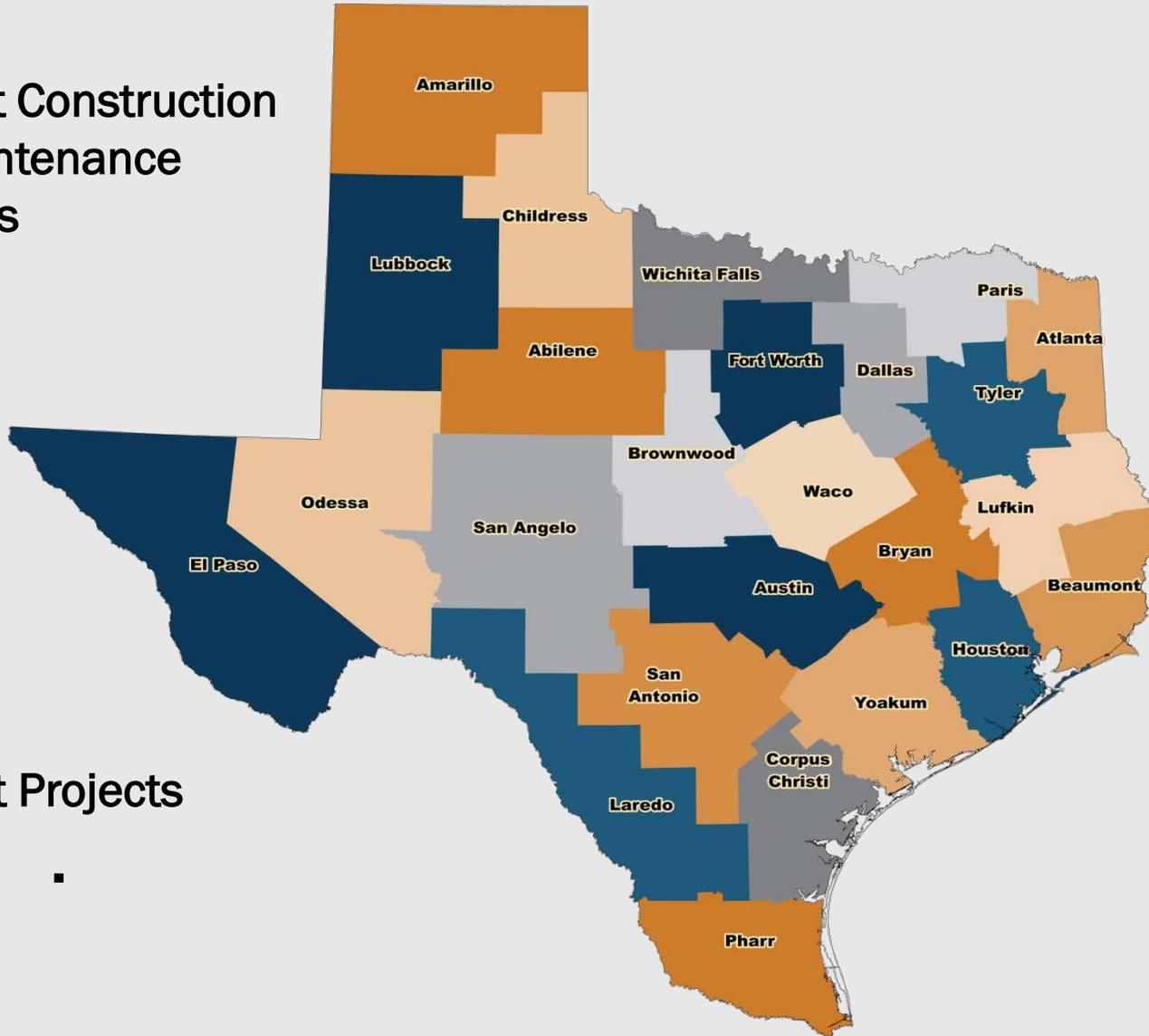


CONTRACT LETTING



Contract Letting

State Let Construction
and Maintenance
Contracts



Local Let Projects

■



BID TABULATIONS



Bid Tabulations

Bid Tabulations and Bid Totals

- Made available on the TxDOT website
- 2014 Standard Specifications for Construction and Maintenance of Highways, Streets, and Bridges (Spec Book)
 - Item 2, Section 11

The screenshot shows the Texas Department of Transportation website. The top navigation bar includes links for 'Business', 'Consultants', 'Contractors', 'Vendors', 'Letting & Bids', 'Opportunities', 'Projects', 'Training', 'Resources', and 'Partnerships'. The 'Letting & Bids' link is circled in red. Below the navigation bar, the 'Letting and Bids' section is displayed. It includes a sidebar with various links such as 'Local Government Projects', 'Highway Cost Index', 'Contract Letting', 'Letting Schedule', 'Projects to Be Let', 'Plans Online', 'Project Letting Addenda', 'Pre- and Post-Letting Information', 'Schedule of Letting File Updates', 'Official Bid Item Index', 'Unofficial Bid Item Index', 'Average Low Bid Unit Prices', 'Contract Bidding', and 'Bid Item Code Description Abbreviations'. The main content area is titled 'Letting and Bids' and contains a paragraph explaining the bidding process. Below this, there are four sections: 'Pre-Letting', 'Post-Letting', 'Prepare to Bid', and 'Bidding'. The 'Prepare to Bid' section is highlighted with a red arrow and contains the following links: 'Bid Tabulations and Bid Totals', 'Estimating Information', 'Invitations for Bids and Requests for Offers/Proposals', 'Special Bid Items', 'Contractor Prequalification', and 'Bid Proposal Request System -'. The 'Bidding' section contains links for 'Bid Opportunities Program', 'Electronic Bidding System (ICX)', 'Official Bid Item Index', 'Unofficial Bid Item Index', 'Estimator Converter Utility Program and Catalogs', and 'Checklist for Submitting Bids'.

<http://www.dot.state.tx.us/business/bt.htm>



CONTRACT AWARD



Contract Award

Delay of Award

- C&M Agreement
- Notice of Financial Clearance
- DBE Approval

- Award
- Award Letter
 - 15 day turnaround
 - Instruction Sheet
- Contract documents
 - Bound contract
 - Conformed contract
 - Surety copy
 - Memo of special requirements
 - Railroad
 - Right of Entry
 - Railroad Insurance
 - Warranty
 - Bond/Manufacturer's Bond

Texas Department of Transportation (TXDOT) State Let Construction & Maintenance Contracts Additional Instructions for CONTRACTORS and SURETY Company

CONTRACTS AND BONDS

- Contracts must **NOT** be disassembled for any reason.
- CONTRACTOR must execute and return contracts within **15 days** of receiving award letter (ONE bound contract and ONE conformed contract) and BONDS in INK.
- CONTRACTOR must sign and date the Signature Page, Performance Bond and Payment Bond.
- The bond(s) in the contract must be executed (including their signature and date signed) by a corporate surety company authorized to write Fidelity and Surety Bonds for public works in the State of Texas, and for contracts greater than \$100,000 such SURETY must be listed in the current issue of the Federal Register, Dept. of Treasury list and must show adequate bonding capacity for the size of the contract. SURETY must execute Bonds in INK.
- SURETY may date bonds and Powers of Attorney; however, they cannot be dated past the due date of the contracts.
- A Power of Attorney, showing that the SURETY's officer or attorney in fact has the authority to sign the bonding obligations, **must be impressed with the corporate seal and attached behind the payment bond in each contract. In addition, the SURETY should attach a Bond claim notice.**
- Corporate seal of the SURETY must be **embossed** on all bonds and also the Powers of Attorney. Water seals and stamp facsimile are not acceptable.

INSURANCE

- Please verify the required insurance information is on file and current with TXDOT and the contract requirements. New or updated information will need to be submitted by the **insurance agent** by completing the appropriate TxDOT Certificate of Insurance, Form 1560. The form can be accessed at the following link:
<http://www.txdot.gov/inside-txdot/forms-publications/consultants-contractors/forms/contractors.html>
Completed forms can be submitted to CST_Insurance@txdot.gov

TEXAS ETHICS COMMISSION COMPLIANCE

- **Effective January 1, 2016**, CONTRACTORS are required to submit Texas Ethics Commission form 1295 for all projects. The form can be accessed at the following link:
https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

This form must be signed and notarized (to enable TXDOT to acknowledge it online) and returned, along with all other contract documents, in the mail. An electronic copy can be emailed to CST_Contracts@txdot.gov but if doing so, in the subject field please reference CONTRACTOR's Business Name, applicable CSJ and contract #.

MAIL

Return all contract documents prior to 5:00 PM on the due date shown on the award letter. If the contract due date is on a weekend or holiday, the contract is due the first business day following the weekend or holiday. A duplicate contract will be returned to the CONTRACTOR when fully executed by the State. If the Contractor fails to comply with all of the requirements in Article 3.4., "Execution of Contract," the proposal guaranty will become the property of the State, not as a penalty, but as liquidated damages. The Contractor forfeiting the proposal guaranty will not be considered in future proposals for the same work unless there has been a substantial change in design of the work.

Send contract documents to:

TEXAS DEPARTMENT OF TRANSPORTATION
CONSTRUCTION DIVISION CONTRACT PROCESSING
200 EAST RIVERSIDE DR.
AUSTIN, TEXAS 78704-1287

ASSISTANCE

- For questions or assistance call Contract Processing @ 512-416-2540 or email CST_Contracts@txdot.gov



CONTRACT EXECUTION



Contract Execution

Requirements:

- Return within 15 days
- Authorized Contractor signature
- Executed Performance and Payment Bonds
 - Power of Attorney
 - Claims Page
- Special requirements
 - Railroad
 - Right of Entry
 - Railroad Insurance
 - Warranty Bond/Manufacturer's Bond
- Ethics Commission 1295 Cert

Spec Book

- Item 3, Section 4

Requirements met:

- Bound contract to Contractor
- District notification



COMPLETING THE WORK

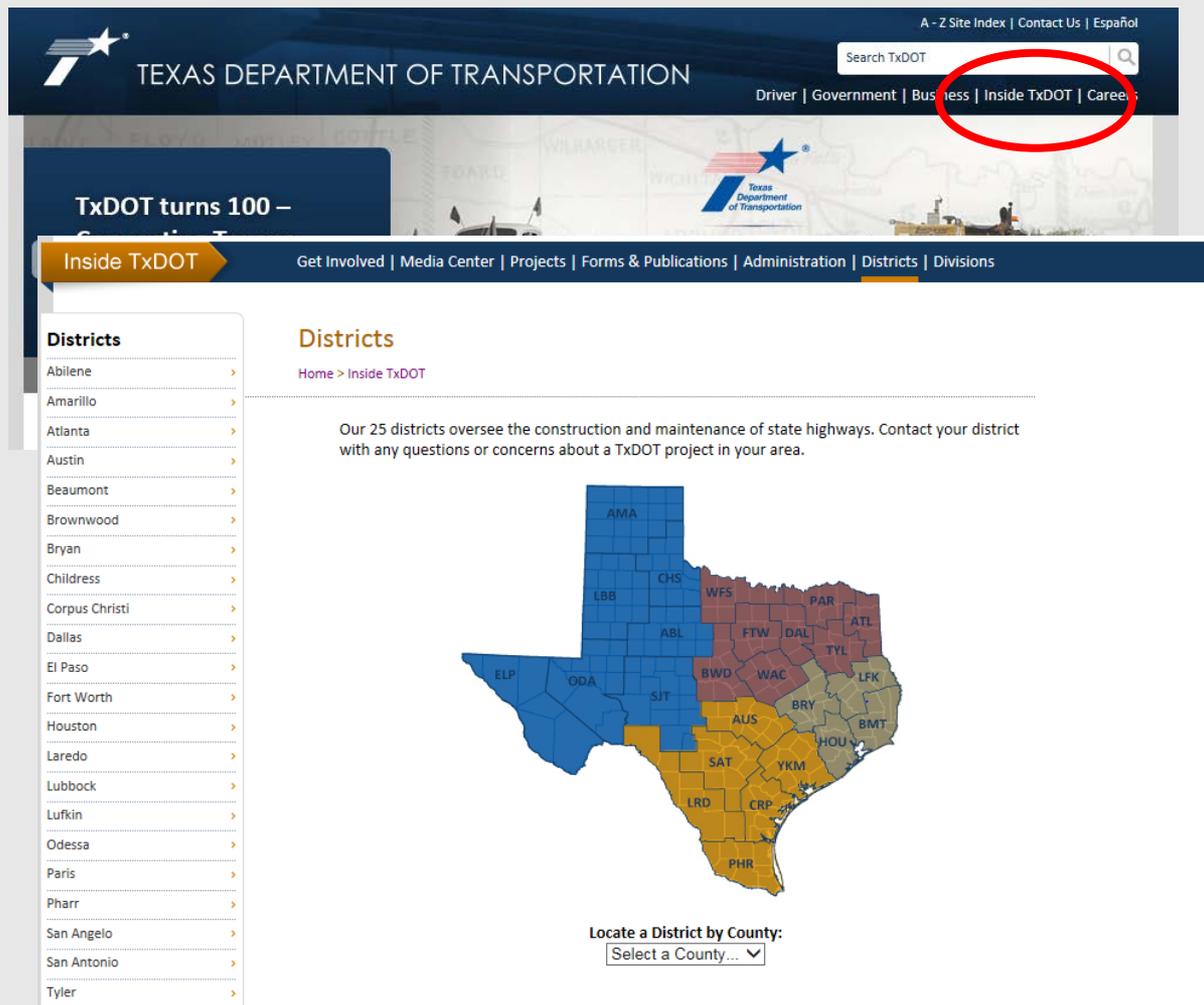


Completing the Work

Contract management

– District

- Preconstruction Meeting
- Project schedule
- List of Material suppliers
- Administration
- Completion of work



The screenshot shows the Texas Department of Transportation website. The header includes the TxDOT logo, the text "TEXAS DEPARTMENT OF TRANSPORTATION", and a search bar with "Search TxDOT" and a magnifying glass icon. A red circle highlights the search bar. Below the header, there is a navigation menu with "Inside TxDOT" highlighted. The main content area is titled "Districts" and features a map of Texas divided into 25 districts, each labeled with a three-letter code. A dropdown menu is visible below the map, labeled "Locate a District by County:" with the text "Select a County..." and a downward arrow.

<http://www.txdot.gov/inside-txdot/district.html>

Completing the Work

As items are completed

- Inspected by TxDOT
- Paid monthly

Contractor Information System (CIS) Reports

- Monthly estimates
- Published on the website

Refer to the Spec Book for payment of items

The image displays two screenshots of the Texas Department of Transportation (TxDOT) website. The top screenshot shows the website's header with the TxDOT logo and navigation menu. The 'Business' menu item is highlighted, and the 'Contractors' link is circled in red. The bottom screenshot shows the 'Contractors' page, which includes a sidebar with a 'Contractors' menu and a main content area. A red arrow points to the 'Contractor Information System (CIS) Reports' link in the 'Resources' section of the main content area.

<http://www.txdot.gov/business/contractors/contractor-information-system-cis-reports.html>

<http://www.txdot.gov/business/resources/business-contacts.html>



IH-10 WIDENING PROJECT

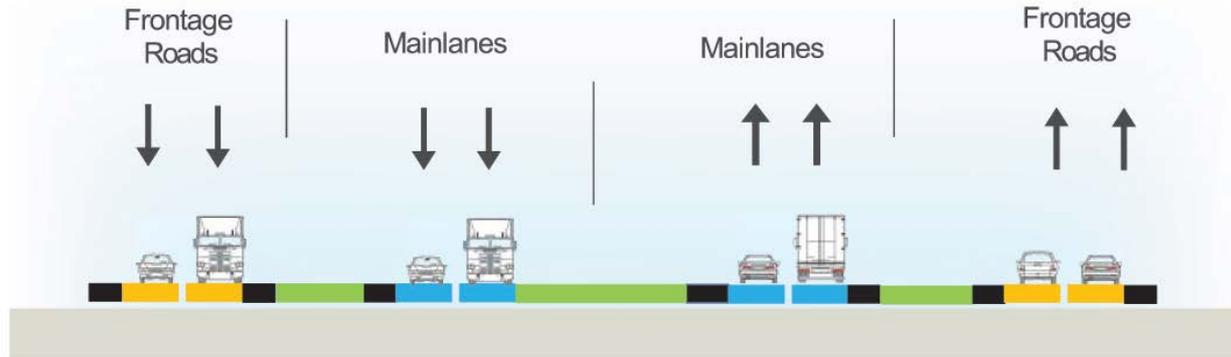


IH-10 Widening Project Overview

- Widening IH-10 (CSJ 0739-02-161)
- Project Limits: Hamshire Road to FM 365
- Project Scope
 - Widen existing freeway from 4 to 6 lanes
 - Intersection (Stack) Reversals, Intersection Improvements, and Operational Improvements
- Project Goals
 - Improve safety, mobility and traffic operations along IH-10 by adding capacity and reconstructing ramps to current standards

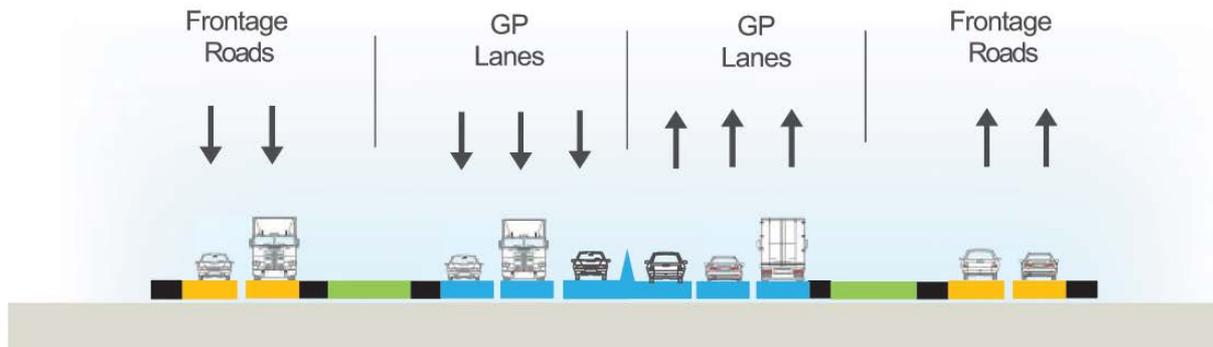
IH-10 Widening Project Overview

EXISTING TYPICAL SECTION



NOTE: Illustrations are not drawn to scale.

*PROPOSED TYPICAL SECTION



*Subject to Transportation Commission action

TxDOT graphic

IH-10 Widening Project Overview

- Design-Bid-Build
- August 2017 letting – Begin Construction Fall 2017
- Anticipated construction timeline of three years, completion Fall 2020
- Current Construction Estimate = **\$98 million**

IH-10 Widening Project Overview

- Estimated Quantities
 - 225,000 cy of excavation (roadway)
 - 514,000 cy of embankment
 - 55,000 tons of HMAC
 - 500,000 sy of concrete paving
 - 164,000 sf of bridge
 - 155,000 sf of retaining walls
 - 23,000 lf of drainage pipe

IH-10 Widening Project Overview

- Other items included in the project:
 - Removal of Asphalt Pavement Items:
 - Stabilized base, asphalt pavement, CTB, Riprap, Medians, Ramps
 - Removal of Structure Items:
 - Inlets, Headwalls, Pipe, Junction Box, Drill shaft, Drainage Flume, Rock Filter Dams, Construction Exits, Temporary Sediment Control Logs,
 - Metal Beam Guardrail Fence: Install and remove
 - Terminal Anchor Section: Install and remove
 - Cable Barrier: Install and remove
 - Crash Cushion Attenuator: Install, move, reset and remove
 - Lighting, ITS, Small and Large Signs

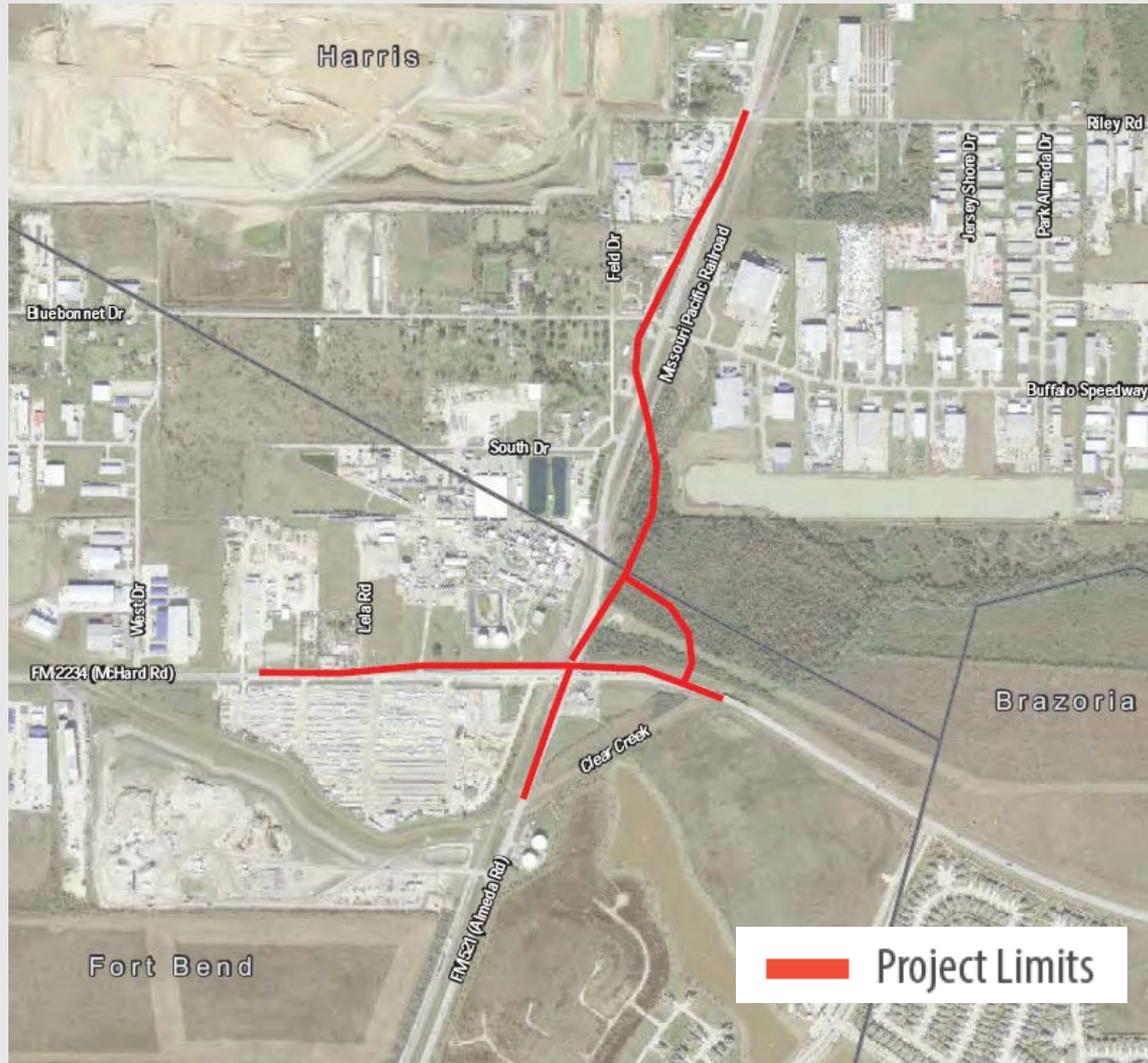
Questions??



FM 521/FM 2234 WIDENING PROJECT



FM 521 / FM 2234 Widening Project Location

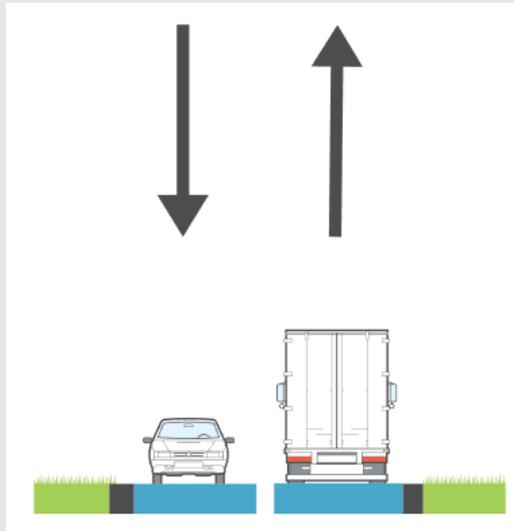


FM 521 /FM 2234 Widening Project Overview

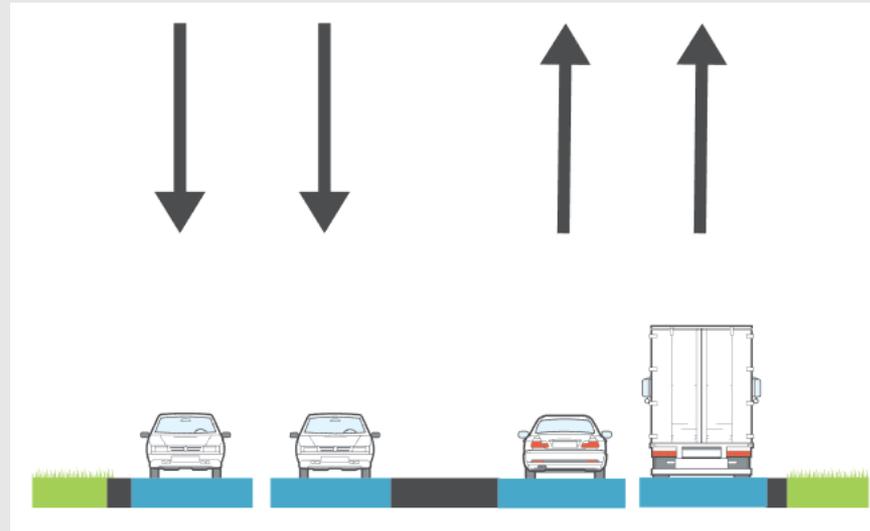
- Widening FM 521
- Project Limits: from BW 8 to south of FM 2234
- Project Scope
 - Reconstruct and widen to 4 lanes divided highway
 - Grade separation over existing railroad crossing.
- Project Goals
 - Safety: Improve railroad/local traffic crossings
 - Mobility: Managed congestion along FM 521 by adding capacity

FM 521 /FM 2234 Widening Project Overview

Existing Typical Section



Proposed Typical Section



FM 521 /FM 2234 Project Overview

- Design-Bid-Build
- September 2018 letting – Begin Construction December 2018
- Anticipated construction, completion Summer September 2020

- Current Construction Estimate = \$38 million
- Total Project Length = 1.61 miles

FM 521 /FM 2234 Widening Project Overview

- Estimated Quantities
 - 57,171 cy of excavation
 - 117,152 cy of embankment
 - 3,939 tons of HMAC
 - 66,117 sy of concrete paving
 - 193,794 sf of bridge
 - 68,106 sf of retaining walls
 - 4,386 lf of drainage pipe
 - 211 total drainage inlets, manholes, junction boxes
 - 10,064 lf of concrete barrier



I-610 AT I-69 WEST CONGESTION PRIORITY PROJECT



I-610 AT 1-69 West Project Location & Overview

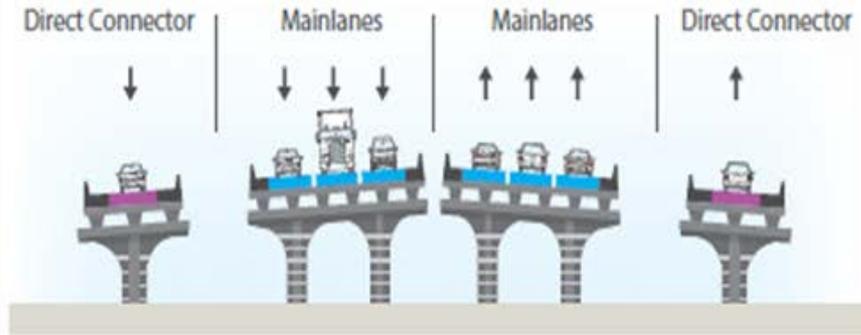


- **Project Description:**
Reconstruct and widen direct connectors at I-60/I-69 Interchange.
Reconstruct main lane bridge on I-610 West Loop
- **Congestion Relief Initiative**
Governor Greg Abbott – Congestion Relief Initiative
14 Projects, 42 Miles new highways of \$1.3B were identified statewide.
Houston District has the largest population increase in the nation from 2014-2015, will receive more than \$440M.

I-610 AT 1-69 West Project Overview

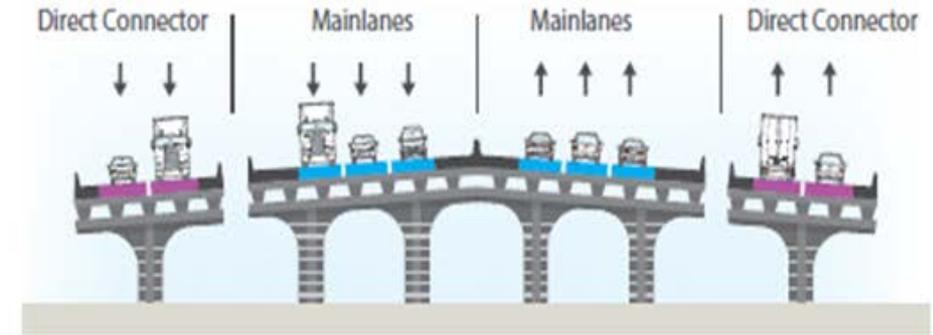
Typical Sections

EXISTING TYPICAL SECTION

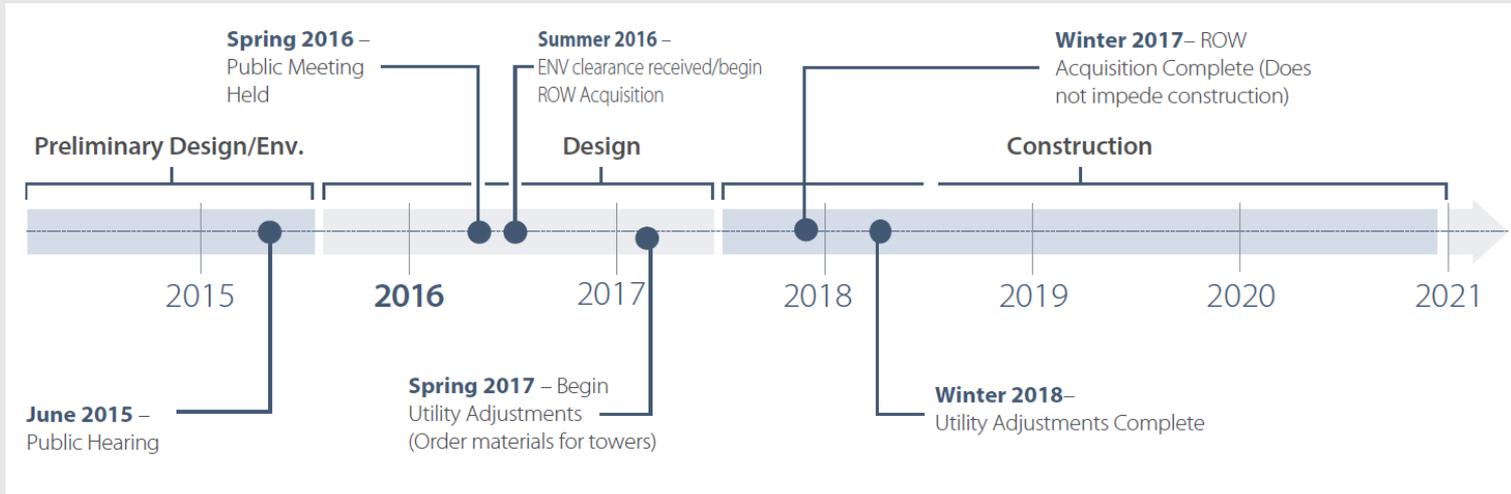


Not drawn to scale

PROPOSED TYPICAL SECTION



Timeline



I-610 AT 1-69 West Project Overview

- Design-Bid-Build
- Summer 2017 letting – November 2017
- Anticipated construction timeline of four years, completion Summer 2021
- Current Total Construction Estimate = \$218 million

I-610 AT 1-69 West Project Overview

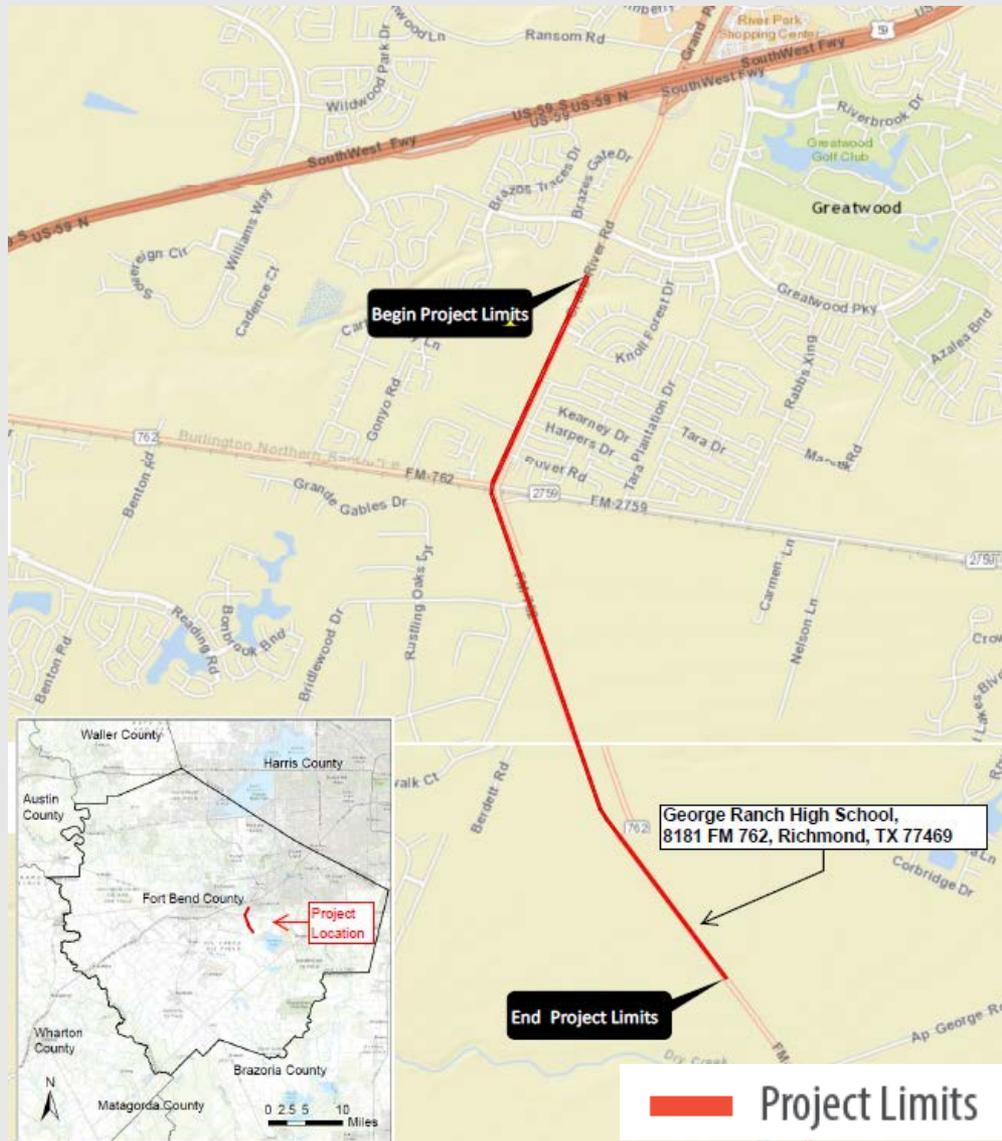
- Estimated Quantities
 - 350,753 cy of excavation
 - 91,367 cy of embankment
 - 485 tons of HMAC
 - 108,508 sy of concrete paving
 - 1,046,435 sf of bridge
 - 153,904 sf of retaining walls
 - 11,948 lf of drainage pipe
 - 141 drainage inlets, 50 manholes, 10 junction boxes
 - 7,595 lf of concrete barrier
 - 8,649 lf of box culverts
 - 87,377 lf of Rail



FM 762/FM 2759 WIDENING PROJECT



FM 762/FM 2759 Widening Project Location

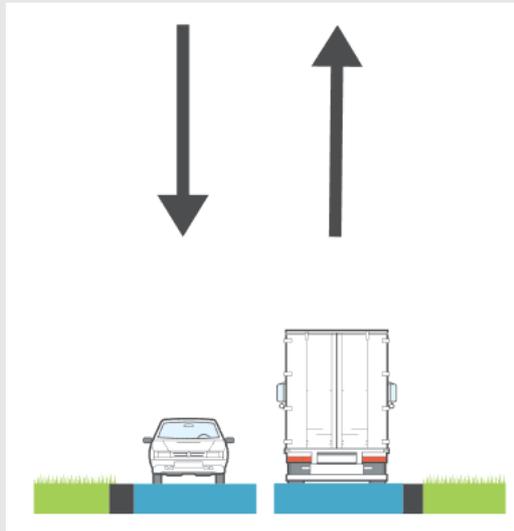


FM 762/FM 2759 Widening Project Overview

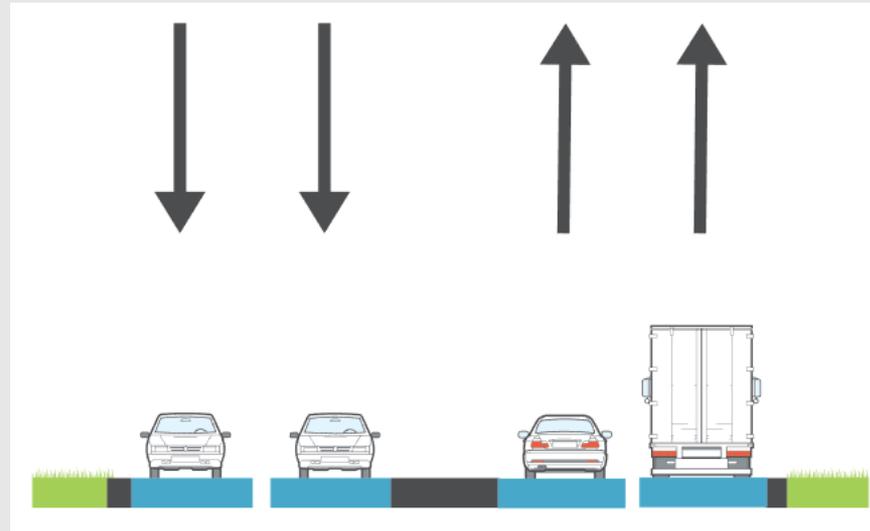
- Widening FM 764/FM 2759
- Project Limits:
 - on FM 764 from FM 762 to South of LCISD School on Crabb River Road.
 - on FM 2759 from S of Sansbury Rd to FM 762 on Crabb River Road.
- Project Scope
 - Widen existing main lanes to 4 lanes divided
- Project Goals
 - Managed congestion along FM 764 by adding capacity
 - Construct a grade separation (overpass) over the BNSF Railroad and Thompsons Road

FM 762/FM2759 Widening Project Overview

Existing Typical Section



Proposed Typical Section



FM 762/FM2759 West Project Overview

- Design-Bid-Build
- Engineering by Fort Bend County
- TxDOT is Project Sponsor
- January 2018 letting – Begin Construction Summer 2018
- Anticipated construction timeline of 3 years, completion 2021

- Current Total Project Estimate = \$28 million
- Length of Project= 2.976 miles

FM 762/FM 2759 Widening Project Overview

- Estimated Quantities
 - 138,832 cy of excavation
 - 101,599 cy of embankment
 - 333 tons of HMAC
 - 137,301 sy of concrete paving
 - 18,480 sf of bridge
 - 0 sf of retaining walls
 - 11,427 lf of drainage pipe
 - 141 drainage inlets, 29 manholes, 0 junction boxes
 - 6,123 lf of concrete barrier
 - 8,392 lf of box culverts
 - 586 lf of Rail

Questions??