

CONTRACTING & PURCHASING

- Goods, Professional & Non-Professional Contracts & Services
- Low-Bid Construction & Maintenance Letting
- Alternative Project Delivery
- Small & Economically Disadvantaged Businesses



CONTRACTING & PURCHASING

OVERVIEW

The Texas Department of Transportation (TxDOT) contracting activities are established and controlled by state and federal law and regulations. All of TxDOT's contracting activities must be tied to a specific law that authorizes procurement and establishes the provider selection process. As a result of Senate Bill 20, 84th Legislative Session, 2015, the state's contracting and procurement process went through an extensive overhaul resulting in greater checks and balances as well as additional reporting requirements for state agencies.

Almost all of TxDOT's procurements of goods and services from private entities can be classified into nine types of goods or services that are procured through three different procurement processes:

- Competitive Bidding – Award is based solely on cost (low bid).
 - Highway Construction and Maintenance Contracts.
- Best Value – Selection is based on some combination of qualifications (and other factors) and price to obtain the best value.
 - Purchases of Goods and Non-Professional Services.
 - Scientific Services Contracts.
 - Professional Services Contracts (other than engineering, architectural, and surveying services).
 - Consulting Services Contracts.
 - Outside Legal Services Contracts.
 - Comprehensive Development Agreements.
 - Design-Build Contracts.
- Qualifications-based – Selection is based solely on qualifications with price negotiated after selection.
 - Engineering, Architectural, and Surveying Services Contracts.

On a dollar basis, the majority of TxDOT's procurement is accomplished using the low bid method. However, the majority of the above procurement processes use a best value selection process where selection is based on the best value to TxDOT. Price and qualifications, as well as other factors identified in the solicitation, are used in determining the best value. This selection process is often referred to as a



one-step selection process because price and qualifications are considered together. Design-Build and Comprehensive Development Agreements use a two-step selection process.

The competitive bid process awards the contract or purchase order to the provider that offers the lowest bid. Highway construction and maintenance contracts and most purchases of goods and non-professional services are procured using competitive bids.

Purchases of goods and non-professional services straddle the line between competitive bid and best value selection. These purchases must be selected using the best value standard, but the statute also requires that competitive bids be used wherever possible. The result of this is that purchases of goods and non-professional services are awarded by:

- Competitive bidding where there are detailed purchasing specifications.
- Best value selection where detailed specifications would limit the number of potential providers or prevent potential providers from proposing experimental goods or services.

In both cases, TxDOT is seeking the best value for the state.

Finally, engineering, architectural and surveying services procurements use a qualifications-based selection process where selection is made solely upon the qualifications of the provider. Once the provider has been selected, TxDOT negotiates a fair and reasonable price. This selection process is often referred to as a two-step selection process. If the negotiations fail, that provider is removed from further consideration and TxDOT attempts to negotiate a fair and reasonable price with the next best qualified provider.

When best value or qualifications-based selection is used, TxDOT may negotiate with the provider to resolve any outstanding issues and further refine costs, scope of work, required personnel, work hours and project schedules. When best value selection is used, TxDOT may negotiate with more than one provider before making the final selection, but may not do so under qualification based selection.

GOODS, PROFESSIONAL & NON-PROFESSIONAL CONTRACTS & SERVICES

GOODS & NON-PROFESSIONAL SERVICES

TxDOT's purchasing is centralized to ensure consistency in compliance with state procurement statutes, rules and procedures.

TxDOT's purchasing philosophy is to obtain the best value by purchasing the right quality, in the right quantity, at the right time, at the right price, from the right provider and in the most effective manner. TxDOT's three purchasing goals are:

1. Satisfy the needs of the user.
2. Spend the state's money wisely.
3. Anticipate needs so that the purchases can be made in the most cost-effective manner.

To accomplish these three goals, TxDOT has established standards, specifications and tests, and TxDOT inspects all purchases for compliance with requirements. TxDOT also manages its inventory to ensure an appropriate amount of materials are available to serve TxDOT's needs.

TxDOT ensures that public purchasing is open to all eligible providers. TxDOT also provides a continuing professional development and certification program for its purchasing staff and maintains open communication with users, other governmental entities and the public.



Bidder's List

The Texas Comptroller of Public Accounts maintains the Centralized Master Bidders List, which is a directory of providers registered with the state to provide goods and services. Unless exempted by law, the Centralized Master Bidders List must be used for all purchases of goods and services under the State Purchasing and General Services Act.

Basis of Award

If the decision is made to award a purchase order, state law requires the award to be based either on lowest price or best value, and TxDOT must consult with and receive approval from the Texas Comptroller of Public Accounts before considering factors set in statute other than price and meeting specifications for goods or services.

PROFESSIONAL SERVICES CONTRACTS

Professional service contracts are awarded through a selection process that assesses each prospective provider's qualifications and fees.

Depending on the type of professional service provided, TxDOT awards professional service contracts using either a one-step process or a two-step selection process. Both processes require TxDOT to perform the following:

- Advertise the services to be outsourced.
- Develop a solicitation package that adequately describes the scope of work to be performed and the criteria that TxDOT will use to evaluate and score responses.
- Select the provider that best demonstrates in its response the qualifications and ability to perform the work.
- Ensure that the selected provider can perform the work at a fair and reasonable price.

Engineering, Architectural and Surveying Services

TxDOT must use a two-step provider selection process when procuring engineering, architectural and surveying services. These services are those required to be performed under the supervision of a registered professional engineer, architect or land surveyor. These services have included:

- Preliminary engineering.
- Plans, specifications and estimates (or "PS&E").
- Construction engineering and inspection.
- Bridge inspection and scour analysis (inspection of soil erosion that surrounds a bridge foundation).
- Environmental engineering, observation and inspection.
- Architectural plans, specifications and estimates, observation and inspection.
- Surveying and mapping.



Two-Step Selection Process

The two-step selection process evaluates a prospective provider's qualifications and price separately in two distinct phases:

1. Provider selection phase.
2. Negotiations phase.

Step one—the provider selection phase—requires TxDOT to rank prospective providers based on demonstrated competence and qualifications for the type of services to be performed without regard to price.

Step two—the negotiations phase—involves negotiating fair and reasonable fees and, depending on the contract, other factors, with the most qualified potential provider from the selection phase. If the price cannot be negotiated to fall within an acceptable range based upon historical price data or current averages for the service being procured, TxDOT may discontinue negotiations with the most qualified provider and begin negotiations with the second-most qualified provider. Once negotiations with the highest ranked provider are terminated, they cannot be restarted. Once both sides agree to what they consider fair and reasonable rates to perform the required services, TxDOT awards the contract.

Other Professional Services

In addition to engineering, architectural and surveying services, TxDOT contracts for other professional services, such as real estate appraisal, accounting, landscape architecture and medical services, using a one-step selection process. These services have included:

- Licensed real estate appraisers assisting in the acquisition of right of way.
- Certified Public Accountants providing performing independent audits.
- Landscape architects designing landscaping for highway projects.
- Medical doctors serving as the medical review officer for workplace drug and alcohol testing programs.

One-Step Selection Process

TxDOT's one-step selection process consists of an evaluation of each prospective provider's qualifications and prices simultaneously, and TxDOT awards the contract to the provider with the proposal that receives the best overall score. TxDOT scores proposals using criteria to assess a prospective provider's qualifications to perform specific job functions and the reasonableness of fees in relation to current industry averages and historical price data. The scoring of the qualifications component varies based on the type of contract but typically includes experience with similar projects, qualifications of the project manager and the project team, and the plan for the project. In addition to being used for all non-engineering, architectural and surveying services professional service contracts, the one-step process is typically used for all other best-value selections.

Monitoring the Work

TxDOT's negotiated contracts do not permit TxDOT to pay the provider for work:

- Performed outside of the contract schedule.
- Performed but not authorized in the contract's scope of work.
- Completed that does not meet the specifications set forth in the contract.

Therefore, monitoring the work and its progress is a critical contract management responsibility. TxDOT contract managers determine the monitoring methods and those may vary depending on each contracting situation and on the type of service being procured. This includes giving performance feedback to providers through a performance evaluation process.

Amending the Scope of Work

If TxDOT wants to increase or decrease the scope of work or alter its specifications in any way, it may negotiate an amendment provided all of the following conditions are met:

- Changes are needed to successfully complete the project.
- Amendment does not significantly alter the nature of the scope of work that was provided in the solicitation.
- Contract has not expired.



LOW-BID CONSTRUCTION & MAINTENANCE LETTING

OVERVIEW

In 1925, the Texas Legislature passed legislation providing the basis for the Texas Department of Transportation (TxDOT) low-bid process that is still used today for construction and maintenance contracts. As a result of this legislation, TxDOT created a process known as letting for letting a construction contract to go out for bids. The letting process includes providing a public notice of the intent to receive bids for specific contracts, issuing proposals, receiving proposals, publicly opening bids, determining the apparent low bidder and executing contracts.

TxDOT has established various regulations, specifications and procedures to ensure that it uniformly and consistently follows an established letting process. There are several steps in the letting process including pre-letting, letting and post-letting. This process is the foundation for the award of construction and maintenance contracts and is designed to protect against bias or favoritism entering into the contract award decision.



Notification of Bid

TxDOT is required to advertise all projects, except emergency contracts, in excess of \$25,000 on the Electronic State Business Daily site maintained by the Texas Comptroller of Public Accounts. The advertisement must be placed at least 14 days before the date of the bid opening.

Release of Proposals

Proposals for state and local let projects are made available for distribution 21 days before the contract letting. Contractors that have completed the prequalification process and that have available bidding capacity equal to or more than the engineer's estimate of a project may receive a bidding proposal. Contractors may receive as many bidding proposals as requested, provided the available bidding capacity requirement is met for each project.

Informational proposals are available to all parties through downloads from TxDOT's website. Official proposals are issued through the Electronic Bidding System. If requested, paper proposals are sent by first-class mail unless the contractor provides an express or overnight account number. Proposals may also be issued on a walk-in basis.

Bidder's List

TxDOT maintains a list of bidders that have requested a proposal for each project. If changes are made to the proposal or plans or if the project is cancelled, the Electronic Bidding System automatically notifies contractors on the bidder's list regarding the issuance of an addendum.

Bid Proposal Receipt

TxDOT receives most proposals electronically, but contractors may also submit proposals through U.S. mail, by a courier such as FedEx or United Parcel Service, or by hand-delivery. Paper proposals are immediately moved to a secure lockbox for opening on letting day.

Contract Award

The contract award process is the process of formally accepting or rejecting the proposal of the apparent low bidder. If the proposal is accepted, the apparent low bidder becomes the official low bidder and therefore becomes obligated to TxDOT to execute the contract. If the proposal is rejected, the apparent low bidder is not obligated to TxDOT.

Authority

The authority to award or reject contracts for TxDOT is distributed among the following groups or individuals:

- Construction and state let maintenance projects with an engineer's estimate of \$300,000 or greater may only be considered by the Texas Transportation Commission.
- Local let maintenance projects may be awarded by the local TxDOT district engineer. These contracts are locally let projects and are for projects under \$300,000.

Award to Lowest Bidder

If TxDOT awards a contract, by law, the award is only available to the lowest bidder that meets all required criteria after examination of the bid.

EMERGENCY CONTRACTS

If an emergency occurs that threatens the life or property of travelers or causes a substantial disruption of the flow of traffic and commerce, TxDOT has the ability to award contracts in an expeditious manner. The corresponding TxDOT district engineer can contact contractors that are already pre-qualified to bid on projects and that are able to perform the necessary work. The district engineer will ask each contractor for a price and then award the contract to the contractor that is able to respond to the emergency and complete the project in a timely manner.



ALTERNATIVE PROJECT DELIVERY

OVERVIEW

Design-Build is a project delivery process that offers an alternative to Texas Department of Transportation's (TxDOT) traditional Design-Bid-Build delivery method. This alternative project delivery method shifts certain risks to the Design-Build firm, may expedite the construction of complex projects and provides additional benefits to the state and traveling public. In the Design-Bid-Build delivery process, TxDOT engineers design and develop a road project and award the project to a contractor to construct the project. TxDOT must select the contractor that provides the lowest bid when compared to the estimated project cost. A Design-Bid-Build project delivery method, therefore, assigns the design risk to TxDOT (the owner) and the construction cost risk to the contractor. The Design-Build delivery method, in contrast, involves TxDOT choosing the developer that offers the best value to the state to design and construct the project, rather than choosing the contractor with the lowest bid. "Best value" is based on a technical score in addition to a cost score. Design-Build projects shift the risk of the design and development process from TxDOT to the project developer. The Design-Build project developer assumes the risk of the design, development, delivery and construction of the project. To ensure that TxDOT uses the Design-Build project delivery method for the appropriate projects, a thorough analysis of the project is performed using a tool developed by the University of Texas Center for Transportation Research. Once a Design-Build project is selected, TxDOT then works to procure a Design-Build contract that will allow for accelerated project delivery.



DESIGN-BUILD

A Design-Build contract shifts the risks associated with the design, construction, utility relocation and possibly maintenance, allowing these components to occur simultaneously rather than sequentially as in a Design-Bid-Build. These agreements may offer the following benefits:

- Selection of a best value proposer which considers price and other key factors.
- A single point of responsibility for design and construction, which allows the contractor and designer to better collaborate towards a unified goal.
- Fixed-price contracting, which allows for cost certainty.
- Expedited project delivery by overlapping portions of design, construction and utility relocations.
- Innovation through close coordination between the construction contractor and designer.
- Transfer of responsibility of many of the inherent risks¹ associated with design and construction to the private sector, such as cost overruns due to design errors, schedule delays and inclement weather.
- Increased quality and potential reduction of future maintenance costs by transferring maintenance responsibilities using warranties, capital maintenance agreements or comprehensive maintenance agreements.

1. Not all project risks are transferred to the private entity. Some risks are better managed by TxDOT, rather than the private entity. One of the core principles is to allocate risks in such a way that maximizes the benefits of the contract to the public. TxDOT identifies and allocates these risks on a project-by-project basis and to the party best able to manage and mitigate that risk.

Project Identification and Selection

TxDOT considers several factors when evaluating whether to deliver a project using Design-Build or the traditional Design-Bid-Build method. Considerations include project risk, cost, delivery schedule, complexity and opportunity for innovation. TxDOT also evaluates the local region’s desire to expedite project delivery and the potential time and cost savings a Design-Build may allow versus the Design-Bid-Build delivery method. These time and money savings can translate to total project cost savings and ultimately, a better value to the state.

TxDOT uses the Alternative Delivery Support Tool developed by the University of Texas Center for Transportation Research to help determine the appropriateness of using a Design-Build as a project delivery method for a given project. The tool is qualitative and quantitative, transparent and flexible, and uses a rigorous and repeatable decision support process to determine Design-Build delivery method suitability.

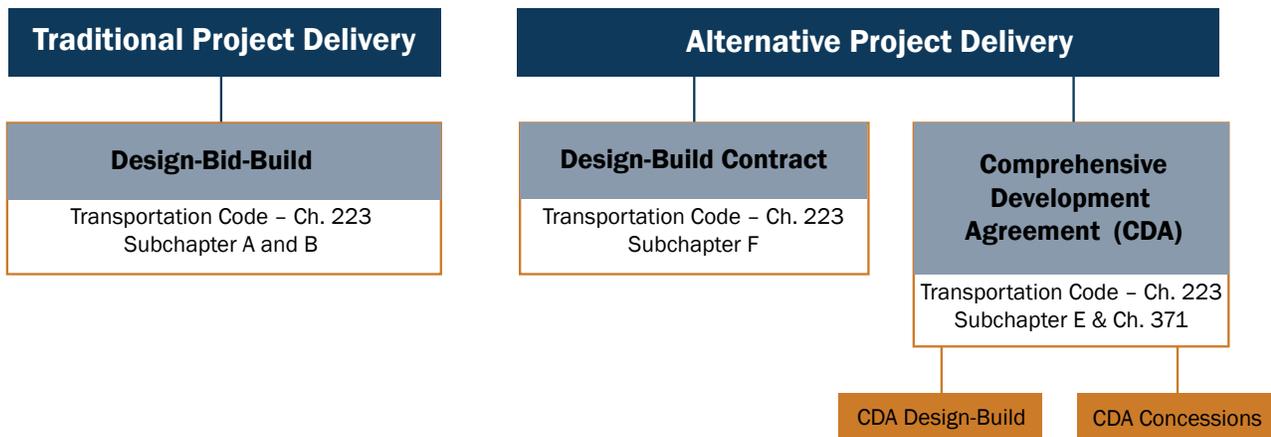
For greater project development efficiency, TxDOT works to identify projects years in advance of their actual funding and construction using the Unified Transportation Program. TxDOT evaluates projects based upon projections of funding availability and project readiness criteria. The project development process includes environmental evaluations and gathering both technical information and direct input from local stakeholders and Metropolitan Planning Organizations (or “MPOs”).

Contracting Methods

Figure 1 (see below) shows Design-Build projects as an alternative to the traditional Design-Bid-Build delivery method. Once a project is identified as suitable for Alternative Project Delivery, TxDOT may then deliver the project through the use of one of two construction contracting methods: Design-Build contracts or Comprehensive Development Agreements (or “CDAs”) (TxDOT’s authority to enter into Comprehensive Development Agreements for projects expired in August 2017 with the exception of SH 99 Grand Parkway).² These contracting methods are awarded based on best-value (price, qualifications of firm and project approach) and combine various components of a project’s implementation into one contract. Design-Build contracts and Comprehensive Development Agreements allow for the expedited project delivery through the concurrent design and construction of a project. A Comprehensive Development Agreement may also allow for private section participation in the funding of some projects. Additionally, utility relocations and potentially right-of-way acquisitions can also occur during the Design-Build phase allowing for time savings.



Figure 1: Contracting Methods



² Section 223.201(i)(1), Texas Transportation Code

Figure 2: Comparison of Design-Build Contracts and Comprehensive Development Agreements

TxDOT's authority to use these contracting methods is governed by two separate state laws. Figure 2 (*see below*) provides a comparison of the two contracting methods.

Design-Build Transportation Code Ch. 223 - Subchapter F	Comprehensive Development Agreements Transportation Code Ch. 223 - Subchapter E & Ch. 371
<ul style="list-style-type: none"> • May not include private financing • Not a prescriptive design • Innovation by the Developer • Is NOT required to be a toll facility • Risk transfer • May include optional Capital Maintenance Agreement • Limited to 3 projects per fiscal year approved by Commission 	<ul style="list-style-type: none"> • Similar to Design-Build, but may be done as: <ul style="list-style-type: none"> – Design-Build – Design-Build-Maintain – Design-Build-Finance – Design-Build-Operate-Maintain – Toll Concession • More risk transfer than Design-Build • May include private financing • Is NOT required to be a toll facility • May include optional Capital Maintenance Agreement • Limited to specific projects identified in Section 223.201 and 223.2011, Texas Transportation Code



Design-Build Contracts

Design-Build contracts allow for design, construction, utility relocation and maintenance to occur simultaneously under a single contract but do not include financial participation from the private sector, a long-term lease or operation of the facility. These agreements provide the benefits described earlier.

Figure 3 (*see next page*) provides information on TxDOT's projects being delivered under a Design-Build contract. As of November 2018, TxDOT is procuring Design-Build contracts for the I-635 LBJ East Project in Dallas with no new toll lanes and I-2/I-69C Interchange Project in Pharr as a non-tolled project.

Figure 3: TxDOT projects delivered through a Design-Build contracts

Subchapter F. Design-Build Contracts, Chapter 223, Texas Transportation Code.

Project	TxDOT District	Fiscal Year Contract Executed ¹	Facility Type	Current Contract Value
Horseshoe Project	Dallas	2013	Non-toll	\$715,273,351
Status: Project is complete and open to the public.				
US 77 Upgrade (Kingsville to Driscoll)	Corpus Christi	2013	Non-toll	\$80,196,793
Status: Project is complete and open to the public.				
Loop 1604 Western Extension	San Antonio	2014	Non-toll	\$120,874,510
Status: Project is complete and open to the public.				
SH 71 Express Lanes	Austin	2014	Toll	\$109,948,137
Status: Project is complete and open to the public.				
SH 360	Fort Worth	2015	Toll	\$308,145,074
Status: Project is complete and open to the public.				
SH 99 (Grand Parkway) Segments H & I	Beaumont and Houston	2017	Toll	\$894,701,622
Status: Under construction with substantial completion anticipated in 2022.				
Southern Gateway	Dallas	2017	Non-toll Managed	\$565,972,486
Status: Under construction with substantial completion anticipated in 2021.				
SH 249 (Grimes and Montgomery County)	Bryan and Houston	2018	Toll (Segment 1 only)	\$521,610,606
Status: Under construction with substantial completion anticipated in 2020 for Segment 1 and 2022 for Segment 2.				

¹Data updated in June 2018



COMPREHENSIVE DEVELOPMENT AGREEMENTS

Comprehensive Development Agreement authority is only available for SH 99 Grand Parkway as authority for the other specific projects listed in statute has expired. Comprehensive Development Agreements offer potential benefits similar to Design-Build contracts. TxDOT has used different types of Comprehensive Development Agreements, including Design-Build contracts and concession agreements. Concessions allow an opportunity for alternative financing that enables the state to access private investment and like a Design-Build share the risks and responsibilities associated with the design, construction and maintenance, but also, in some cases, financing of transportation projects. As noted above, Design-Build contracts provide a mechanism for design and construction to occur simultaneously under a single contract but do not include private-sector financial participation. Concession agreements require a private-sector developer to develop, finance, construct, operate and maintain a facility for a specific time period of up to 52 years. In exchange, the developer and TxDOT may share revenues from tolls collected.

Comprehensive Development Agreements allow for the option to include a tolling component and private investment as a means to address funding needs. However, not all Comprehensive Development Agreements have a tolling component or private investment. An example of a non-tolled Comprehensive Development Agreement is the US 181 Harbor Bridge between the Nueces Bay Causeway and State Highway 286.

Comprehensive Development Agreements include risk allocation appropriate to each project. Not all project risks are transferred to the private entity. Some risks are better managed by TxDOT. A guiding core principle is to allocate risks in such a way that maximizes the benefits of the contract to the public. TxDOT identifies and allocates these risks on a project-by-project basis and to the party best able to manage and mitigate that risk.

For TxDOT toll projects in which a private entity has a financial interest in the project's performance, a specific project committee³ is formed to analyze and determine the distribution of the project's financial risk, the method of financing for the project and the tolling structure and methodology. The committee consists of a representative from TxDOT, any local toll project entity for the area in which the project is located, the applicable Metropolitan Planning Organization and each municipality or county that has provided revenue or right of way. Figures 4 and 5 (*see pages 12-13*) provide an update on projects that had Comprehensive Development Agreement authority. With the exception of State Highway 99 Grand Parkway, Comprehensive Development Agreement authority for these projects expired on August 31, 2017.

House Bill 20, 84th Legislative Session, 2015, amended Section 223.242, Texas Transportation Code, to specify that TxDOT may only enter into Design-Build contracts for a highway project with a construction cost estimate of \$150 million or more, rather than \$50 million or more under the previous law. Section 223.242(d-1), Texas Transportation Code, limits TxDOT from entering into more than three Design-Build projects per year.

Section 223.242, Texas Transportation Code, prohibits TxDOT from using a Design-Build contract for the construction expansion, extension, rehabilitation, alteration or repair of a highway project if the project is substantially designed by TxDOT or another entity other than the design-build contractor. Section 223.242, Texas Transportation Code, also prohibits TxDOT from including more than one non-contiguous highway project in a Design-Build contract and stipulates that a maintenance agreement requiring a Design-Build contractor to maintain a project may have an initial term of no longer than five years with subsequent separately priced optional five year extension terms at the discretion of TxDOT.

Figure 4: TxDOT previously authorized Comprehensive Development Agreements

Section 223.201, Texas Transportation Code.

Project	TxDOT District	Limit	Facility Type
SH 99 (Grand Parkway)	Houston and Beaumont	Not Defined	Tolled
<p>Status: Segments in varying stages of planning, construction, and open to traffic. Segments B&C are in the planning phase with the region having primacy. Segment D is open to traffic Segment E is open to traffic Segments F-G was delivered as a CDA-Design-build and is open to traffic Segments H&I is under construction as a Design-build (non-CDA) with substantial completion anticipated in 2022.</p>			
I-35E Managed Lanes	Dallas	from I-635 to US 380	Tolled Managed
<p>Status: Phase 1 of the project delivered as a CDA Design-build and is open to traffic.</p>			
I-35W	Fort Worth	from I-30 to SH 114	Tolled Managed
<p>Status: Segments are in varying stages of construction and planning. Segment 3A is being delivered through a CDA Concession and is under construction with final acceptance in late 2018. Segment 3B was constructed as a traditional design-bid-build (non-CDA) and is open to traffic Project will be maintained by Segment 3A developer. TxDOT is analyzing the Segment 3C Project, current contract language and CDA Authority for the North Tarrant Express project to determine the delivery. The department is also working with FHWA with regard to this analysis and determination.</p>			
SH 183 Managed Lanes	Dallas and Fort Worth	from SH 121 to I-35E	Tolled Managed
<p>Status: The interim project (Phase I) was developed under a CDA Design-build and portions of the facility are open to traffic. Anticipate project to be fully complete in late 2018.</p>			
I-35E/US 67 Southern Gateway	Dallas	I-35E at 8th Street to I-20 US 67 at I-35E to FM 1382	Non-Tolled Managed
<p>Status: The project is being delivered as a Design-build Agreement (non-CDA) and is currently under construction with substantial completion anticipated in 2021.</p>			
SH 288	Houston	from US 59 to south of SH 6	Tolled
<p>Status: The CDA (concession) for the SH 288 Toll Lanes in Harris County project was executed on March 4, 2016 and Financial Close obtained May 9, 2016. Construction started in November 2016 and is anticipated for completion in 2019. Brazoria County has elected to maintain primacy for the portion of SH 288 in Brazoria County.</p>			
US 290 Managed Lanes	Houston	from I-610 to SH 99	Non-Tolled
<p>Status: The project for reconstruction and widening of the US 290 main lanes was delivered through the traditional design-bid-build delivery method (non-CDA) and is currently under construction and scheduled for final acceptance in 2019.</p>			
I-820	Fort Worth	from SH 183 to Randol Mill Road	Non-Tolled
<p>Status: The interim project will be delivered as a traditional design-bid-build (non-CDA) and is a part of TxDOT's Congestion Relief Initiative. Project was let in December 2017 and construction is anticipated to start in late summer 2018.</p>			
SH 114	Dallas	from SH 121 to SH 183	Tolled Managed
<p>Status: Phase I of the project was delivered as part the SH 183 Managed Lanes project (CDA Design-build) and is open to traffic.</p>			
Loop 12	Dallas	from SH 183 to I-35E	Tolled Managed
<p>Status: Phase I of the project was delivered as part the SH 183 Managed Lanes project (CDA Design-build) and is currently under construction.</p>			
Loop 9	Dallas	from I-20 to US 67	TBD
<p>Status: The project is in the preliminary engineering development phase. Loop 9 from I-35E to I-45 received environmental clearance (Finding of No Significant Impact) in November 2017. Funding for a single two lane frontage road has been identified and PS&E is currently under way. Environmental studies are still ongoing for the remainder of the corridor.</p>			
US 181 Harbor Bridge	Corpus Christi	US 181 at Beach Avenue to I-37	Non-Tolled
<p>Status: Developed as a CDA Design-Build. Construction began in November 2016. Phase 1 of construction anticipated for substantial completion in Spring 2020 and phase 2 in Summer 2021. Anticipate final acceptance in Fall 2021.</p>			

*Data updated in June 2018

Figure 5: Regional Mobility Authority previously authorized Comprehensive Development Agreements

Section 223.2011, Texas Transportation Code.

Project	TxDOT District	Project Lead	Limit	Facility Type
Loop 1 (MoPac)	Austin	Central Texas RMA	from FM 734 to Cesar Chavez Street	Tolled Managed
Status: This project was developed by Central Texas Regional Mobility Authority through a design-build agreement (non-CDA). The project is currently open to traffic.				
US 183 (Bergstrom Expressway)	Austin	Central Texas RMA	from Springdale Road to Patton Avenue	Tolled
Status: This project is being developed by Central Texas Regional Mobility Authority through a design-build agreement (non-CDA) with limits being from US 290 to SH 71. Design and construction is underway. Interim milestone is between US 290 and Boggy Creek with Fall 2019 substantial completion and Fall 2020 for the full limits.				
Outer Parkway				
South Padre Island Second Access Causeway	Pharr	Cameron County RMA	from US 77 to FM 1847 from SH 100 to Park Road 100	TBD
Status: Still in the planning and feasibility stages. Cameron County Regional Mobility Authority has primacy.				
Loop 49 Lindale Relief Route	Tyler	Northeast Texas RMA	from I-20 to US 69 from SH 110 to US 259	Tolled
Loop 49 Seg. 6&7				
Status: This project was not developed under a CDA. This project was locally let by the Northeast Texas Regional Mobility Authority on February 19, 2016. They issued a notice to proceed in July 2016 and are currently under construction. Work is scheduled to be complete in February 2019. Loop 49 Segments 6 & 7 are in the early planning and feasibility development stage. The Northeast Texas Regional Mobility Authority is currently evaluating options to fund the environmental coordination, but have performed no work to date.				
Loop 375 Border Highway West	El Paso	TxDOT	from Race Track Drive to US 54	Tolled
Status: Camino Real Regional Mobility Authority waived and declined to exercise its option to develop the Loop 375 Border Highway West Project on May 8, 2013. The department exercised its option to develop the project on May 30, 2013 as a CDA Design-Build and since then the newly named Loop 375 Border West Expressway Project has been procured, is under construction and is being developed through a direct partnership with Camino Real Regional Mobility Authority.				
Northeast Parkway	El Paso	Camino Real RMA and TxDOT	from Loop 375 east of Railroad Drive overpass to Texas-New Mexico border	TBD
Status: Camino Real Regional Mobility Authority and TxDOT are working collaboratively on this project. Work is currently being performed on the environmental assessment, planning and feasibility analyses.				
Loop 1604	San Antonio	TxDOT	Not Defined	Non-tolled
Status: Loop 1604 from SH 16 to FM 471 (base scope), including the FM 471 to SH 151 interchange (option work), was delivered through a Design-Build (non-CDA) and is open to traffic.				
Hidalgo County Loop	Pharr	Hidalgo County RMA	Two other segments are being delivered as traditional design-bid-build projects by TxDOT and one other segment from SH 16 to IH 35 North is in the early planning stages	TBD
Status: The original "Hidalgo County Loop Project" was initially being developed by the Hidalgo County Regional Mobility Authority; however, of the original project, the southern quadrants of the loop are now being developed as two independent utility projects, 365 Tollway and the International Bridge Trade Corridor. 365 Tollway was let in November 2017 and awarded to Johnson Bros. Construction has not begun and is pending a notice to proceed from Hidalgo County Regional Mobility Authority.				
International Bridge Trade Corridor	Pharr	Hidalgo County RMA	Not Defined	TBD
Status: The project from 365 Tollway and FM 493 to I-2 is still in the early planning and feasibility stages and the delivery method will be determined once funding is finalized.				

*Data updated in June 2018

Procurement Process

Under current law, Design-Build contracts and Comprehensive Development Agreements use a two-step procurement process. This process considers factors such as experience, safety management, expedited construction schedules, innovations, long-term maintenance requirements and price to determine the best value to the state. The best value is determined by a combination of these factors with the final price accounting for a minimum of 70 percent and a maximum of 90 percent of the evaluation criteria. The procurement process is depicted in Figure 6 (see on the right).

Step one, the Request for Qualifications (or “RFQ”), begins when the Texas Transportation Commission approves the release of the Request for Qualifications for an identified project to be developed. Through the Request for Qualifications process, TxDOT solicits qualification statements from proposers. Based on the responses, TxDOT creates a shortlist of the most qualified teams to participate in the next step.

Step two, the Request for Proposals (or “RFP”), begins with a solicitation for detailed proposals from the shortlisted teams. Proposals must meet requirements outlined in the instructions to proposers, technical provisions and other related documents. TxDOT is required by law to select the proposer representing the best value (highest-ranked proposer) and then attempt to negotiate a contract.

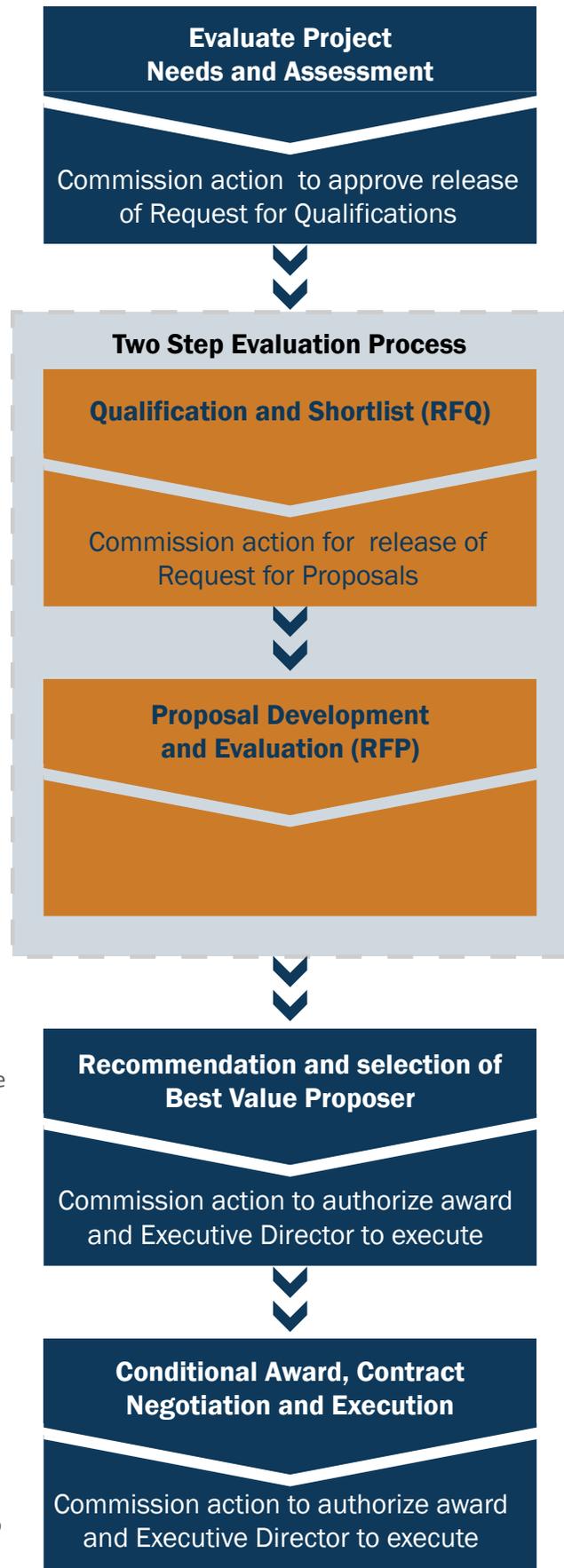
Best Value Selection Benefits

The two-step procurement process allows TxDOT to consider both price and other key factors, such as qualifications, safety record, schedule, quality, innovation savings and performance-based criteria to minimize impacts and enhance the long-term performance and value of the project. Analysis through these evaluation criteria results in the best value selection.

Both TxDOT and the public benefit when TxDOT selects a best value proposer in the following ways:

- TxDOT obtains a fixed price, performance-based contract where contractors are limited on change orders.
- TxDOT selects the proposer based on unique strengths, management and technical capabilities necessary to deliver the project.
- Proposers are responsible for all design and construction.
- The contract allocates the risk to the party best suited to manage it.
- TxDOT can consider the value of non-priced elements such as management plans (construction and design quality, safety and traffic) and schedule, resulting in decreased construction time, user costs and delays.
- TxDOT can implement concepts from unsuccessful proposers to improve project cost and quality of schedule.

Figure 6: Procurement Process



SMALL & ECONOMICALLY DISADVANTAGED BUSINESSES

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

The Disadvantaged Business Enterprise (or “DBE”) program is a United States Department of Transportation program that applies to federal-aid dollars expended on federally-assisted contracts issued by the Texas Department of Transportation (TxDOT). The Disadvantaged Business Enterprise program ensures that federally assisted contracts for highway, aviation and transit projects are made available to small, minority and women-owned businesses. TxDOT and other members of the Texas Unified Certification Program certify firms interested in becoming Disadvantaged Business Enterprises. The Disadvantaged Business Enterprise Program at TxDOT has been established in accordance with federal regulations and ensures that only firms that meet eligibility requirements are permitted to participate as Disadvantaged Business Enterprise on federally funded contracts.



A Disadvantaged Business Enterprise refers to a small business at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged and whose management and daily business operations are controlled and owned by one or more of the socially and economically disadvantaged individuals. Socially and economically disadvantaged individual means any individual who is a citizen (or lawfully admitted permanent resident) of the United States and who has been subjected to racial or ethnic prejudice or cultural bias within American society because of his or her identity as a member of a group and without regard to his or her individual qualities. Asian Americans, Black Americans, Hispanic Americans, Native Americans and women are presumed to be socially and economically disadvantaged.

TxDOT is committed to ensure non-discrimination on the basis of race, color, national origin or gender in purchasing activities and in the award and administration of contracts under federal law and for contracts and purchase orders using federal funds. TxDOT mostly expends federal funds in the Heavy Construction Other than Building Contracts

procurement category. TxDOT sets a triennial goal for Disadvantaged Business Enterprise participation in federally funded contracts. TxDOT also establishes Disadvantaged Business Enterprise goals for individual contracts. Only work performed by certified Disadvantaged Business Enterprises will satisfy federal DBE goals. Contractors must make a good faith effort to solicit and use Disadvantaged Business Enterprises in order to meet or exceed contracts assigned with Disadvantaged Business Enterprise goals.

SMALL BUSINESS ENTERPRISE PROGRAM

The Small Business Enterprise Program at TxDOT offers small businesses another avenue to maximize their opportunities of doing business with TxDOT. The program applies to highway construction and maintenance projects that are funded entirely by state or local funds. Businesses interested in pursuing a Small Business Enterprise certification must meet the United States Small Business Administration size standards.



HISTORICALLY UNDERUTILIZED BUSINESS PROGRAM

The Historically Underutilized Business (or “HUB”) program, administered by the Texas Comptroller of Public Accounts, applies to all TxDOT contracts funded entirely with state and local funds, except for projects in the Heavy Construction Other than Building Contracts procurement category. TxDOT’s heavy construction projects utilizing federal funds are exempt from the Historically Underutilized Business program under Section 2161.004, Texas Government Code, TxDOT instead uses federal Disadvantage Business Enterprise (or “DBE”) goals on these projects. In the semi-annual and annual Comptroller of Public Accounts Historically Underutilized Business report, the Comptroller only reports on firms that have Historically Underutilized Business certification. As a result, those firms that only have a Disadvantage Business Enterprise certification only are not represented in the Texas Comptroller of Public Accounts Historically Underutilized Business contracting reports for TxDOT. These firms are mainly in the heavy construction category since most TxDOT construction projects utilize federal funds and therefore have Disadvantage Business Enterprise goals.

The Historically Underutilized Business Program promotes full and equal procurement opportunities for small, minority and women-owned businesses in state contracting. The Texas Comptroller of Public Accounts certifies small business providers as Historically Underutilized Businesses. Only businesses certified as Historically Underutilized Businesses will satisfy Historically Underutilized Business goals. Historically Underutilized Business attainment is reported quarterly to the Texas Comptroller of Public Accounts.

<p>FOR MORE INFORMATION</p>	
<p>SCAN WITH SMART PHONE</p> <p>Find more information at www.txdot.gov keyword search “Small, Disadvantaged and Minority Businesses”.</p>	

To qualify as a Historically Underutilized Business, a business must be a for-profit entity that has not exceeded the size standards established by the Small Business Administration and that has its principal place of business in Texas. The business must be at least 51 percent owned by an Asian Pacific American, Black American, Hispanic American, Native American, American woman or Service Disabled Veteran. The business owner must reside in Texas and actively participate in the control, operations, and management of the business. TxDOT makes a good faith effort to use Historically Underutilized Businesses in TxDOT contracting opportunities either directly as a prime contractor or indirectly as a subcontractor in order to meet or exceed its annual Historically Underutilized Business goals.

MOVING FORWARD

TxDOT will continue to maintain a robust small business program that facilitates purchasing and contracting opportunities for Disadvantaged Business Enterprises, Historically Underutilized Businesses and Small Business Enterprises. TxDOT aims to strengthen small businesses in Texas by promoting job creation and economic development through its outreach efforts and by working with local and regional stakeholders.



TEXAS DEPARTMENT OF TRANSPORTATION



VALUES:

People

People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

Accountability

We accept responsibility for our actions and promote open communication and transparency at all times.

Trust

We strive to earn and maintain confidence through reliable and ethical decision-making.

Honesty

We conduct ourselves with the highest degree of integrity, respect, and truthfulness.

VISION:

A forward-thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.

MISSION:

Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.

GOALS AND OBJECTIVES:

- **Deliver the Right Projects** – Implement effective planning and forecasting processes that deliver the right projects on-time and on-budget.
- **Focus on the Customer** – People are at the center of everything we do.
- **Foster Stewardship** – Ensure efficient use of state resources.
- **Optimize System Performance** – Develop and operate an integrated transportation system that provides reliable and accessible mobility, and enables economic growth.
- **Preserve our Assets** – Deliver preventive maintenance for TxDOT's system and capital assets to protect our investments.
- **Promote Safety** – Champion a culture of safety.
- **Value our Employees** – Respect and care for the well-being and development of our employees.



This document is part of an educational series on transportation issues produced by the Texas Department of Transportation. This document, the full Educational Series and other helpful resources can be found online at www.txdot.gov keyword search "State Legislative Affairs".