



# PEPS Division – Important stuff you need to know

Martin L. Rodin, P.E.  
PEPS Division Director

November 20, 2019



## Mission

Work with our TxDOT customers and external partners to procure the most qualified consultants to deliver effective solutions for Texas

## Goals

Deliver the right projects  
Focus on the Customer  
Foster Stewardship  
Optimize System Performance  
Preserve our Assets  
Promote Safety  
Value our Employees

## Values

People, Accountability, Trust, Honesty

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

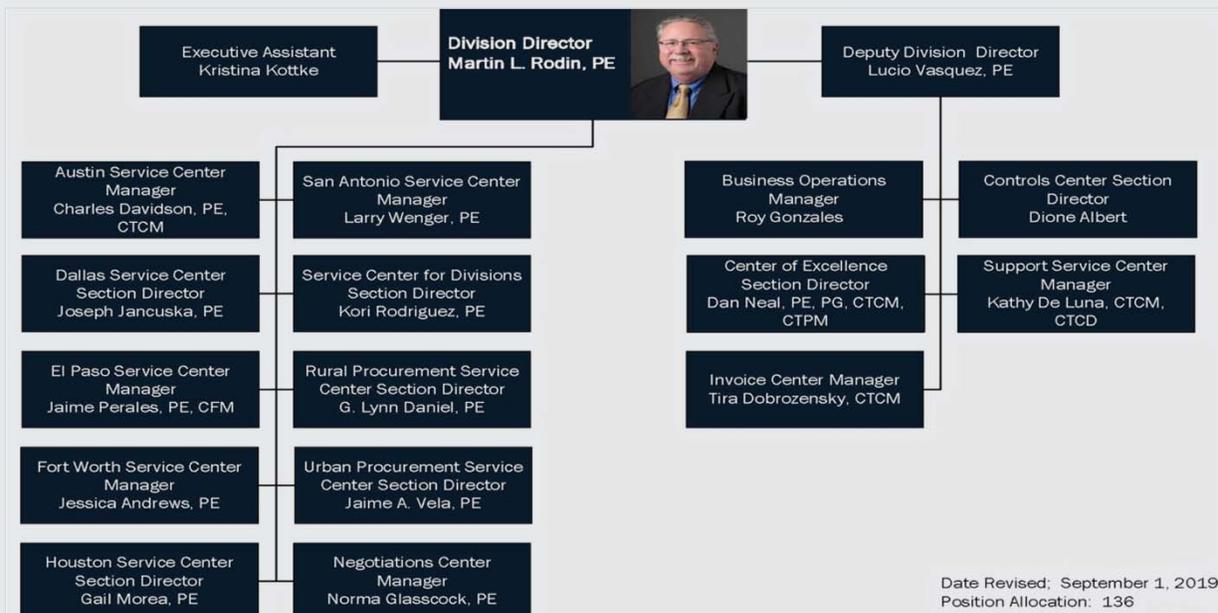


# PEPS

Professional Engineering Procurement Services

Professional Engineering Procurement Services represents the consolidated procurement organization supporting engineering, architectural and surveying contracts

## Organizational Chart



## Operational Structure

**PEPS Division**  
Austin HQ

**PEPS Division Director**  
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**Deputy Division Director**  
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**PEPS Support Services**

**Business Operations Center**  
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**Center of Excellence**  
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**Controls Center**  
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**Invoice Center**  
Tira Dobrozensky, CTCM  
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**Negotiations Service Center**  
Norma Glasscock, PE.  
817.370.3675  
Norma.Glasscock@txdot.gov

**Support Services Center**  
Kathy De Luna, CTCM, CTCD  
210.615.5901  
Kathy.DeLuna@txdot.gov

**PEPS Service Centers**

- **Austin Service Center**  
Charles Davidson, PE., CTCM  
512.832.7315  
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- **Dallas Service Center**  
Joseph Jancuska, PE.  
214.320.6187  
Joseph.Jancuska@txdot.gov
- **El Paso Service Center**  
Jaime Perales, PE., CFM  
915.790.4231  
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- **Fort Worth Service Center**  
Jessica Andrews, PE.  
817.370.3668  
Jessica.Andrews@txdot.gov
- **Houston Service Center**  
Gail Morea, PE.  
713.802.5795  
Gail.Morea@txdot.gov
- **San Antonio Service Center**  
Larry H. Wenger, PE.  
210.615.5971  
Larry.Wenger@txdot.gov
- **Service Center for Divisions**  
Kori Rodriguez, PE.  
512.416.2268  
Kori.Rodriguez@txdot.gov
- **Urban Districts Service Center**  
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512.416.2007 or 956.712.7730  
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- **Rural Districts Service Center**  
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**PEPS**  
Professional Engineering Procurement Services

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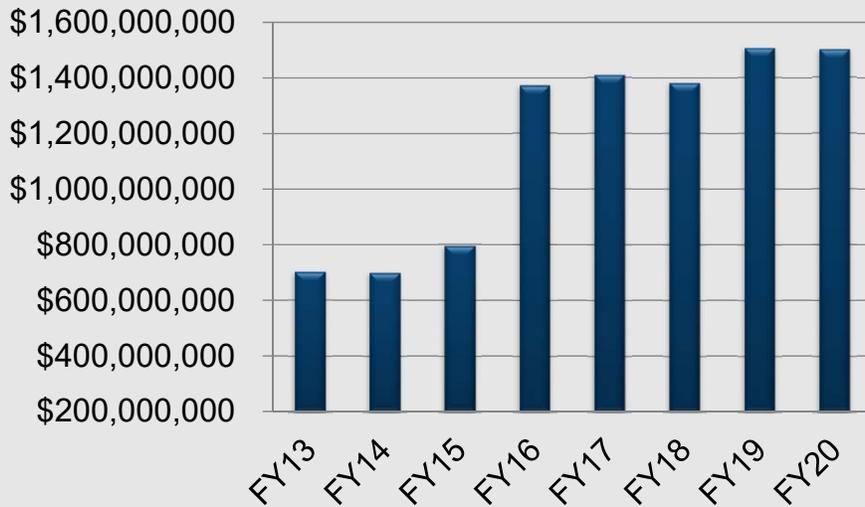
## Then and Now

2015	2019
No. of PEPS Employees	No. of PEPS Employees
69 FTE	136 FTE
TxDOT Annual Letting	TxDOT Annual Letting
\$3.4 B	\$10 B
Procurement Amount	Procurement Amount
\$695 M	\$1.5 B +
No. of Contracts	No. of Contracts
170 EA	300 EA +
No. of Work Authorizations	No. of Work Authorizations
600 EA	1,600 EA +
No. of Late WA	Number of Late WA
139 EA	57 EA
No. of Invoices	No. of Invoices
4,000 EA	13,000 EA +
% of Invoices Paid On Time	% of Invoices Paid On Time
86%	87%

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## PEPS Annual Procurement



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## FY 2020 Procurement Plan

SERVICE TYPE	ANNUAL PROCUREMENT	SERVICE TYPE	ANNUAL PROCUREMENT
Architecture	\$32,000,000	PS&E	\$327,800,000
Bridge Inspection	\$42,000,000	Program Management Consultant	\$80,000,000
Bridge On/Off Replacement	\$45,000,000	Schematic	\$8,000,000
CEI	\$260,215,000	Schematic / Environmental	\$116,000,000
CPM Scheduling Support	\$8,000,000	Schematic/Environmental/PS&E	\$43,300,000
Engineering	\$9,000,000	Signal Timing	\$6,000,000
Engineering Facilities	\$32,000,000	Surveying	\$83,000,000
Environmental	\$1,000,000	Traffic & Revenue	\$30,000,000
GEC/PMC	\$199,500,000	Traffic Engineering	\$21,000,000
Geotechnical	\$20,000,000	Utility Engineering	\$37,000,000
Hydraulics & Hydrology	\$35,000,000	Independent Engineer	\$3,500,000
Materials Engineering	\$7,000,000	Owner Verification Testing	\$6,000,000
OVTI	\$45,000,000	Procurement Engineering	\$30,000,000
Planning	\$19,000,000		
<b>GRAND TOTAL FY 2020</b>			<b>\$1,546,315,000</b>

## FY 2021 Procurement Plan

SERVICE TYPE	ANNUAL PROCUREMENT	SERVICE TYPE	ANNUAL PROCUREMENT
Architecture	\$3,000,000	Materials Engineering	\$41,000,000
Bridge Inspection	\$2,500,000	Pavement Design	\$2,000,000
Bridge On/Off PS&E	\$4,000,000	Planning	\$7,000,000
CEI	\$278,080,000	PS&E	\$378,261,500
CPM Scheduling Support	\$8,000,000	PMC	\$35,000,000
Drainage Design	\$1,000,000	Schematic / Environmental	\$139,000,000
Engineering	\$45,000,000	Schematic / Env / PS&E	\$36,200,000
GEC/PMC	\$6,000,000	Surveying	\$97,000,000
Geotechnical	\$20,000,000	Traffic Engineering	\$20,000,000
Hydraulics & Hydrology	\$14,000,000	Utility Engineering	\$41,000,000
<b>GRAND TOTAL FY 2021</b>			<b>\$1,178,041,500</b>

Waiting on \$200 million more for GEC and holding on \$200 million in procurements for Specific Disciplines

## Recent Rule Changes



### 43 TAC 9.34 - Revisions Approved

- **Bonus Policy Requirements**
- **Overhead Rate Implemented at Time of Negotiations**
- **90 Day Extension of Administrative Qualifications**
- **Negotiation of Annual Labor Rates**

## Negotiations



Consultants complete the initial rate card offer

Indicate if similar rates were negotiated that can be considered

Expanded the range of the PEPS Rate Tool

Proceeding to live after two to three rounds

Service Center manager review and approval of all rates



PEPS Division Director approval of new job classifications

Procuring more Federal contracts with proposal

Providing more DBE and HUB opportunities

Transitioning to annual rate negotiations per TAC Rule Changes

Added a labor rate appeal procedure

## Labor Rate Negotiations – Consultant Appeals



Prime provider may appeal Best and Final Offers (BAFO)

PEPS Division Director's appeal decision is final



3 Possible Outcomes:

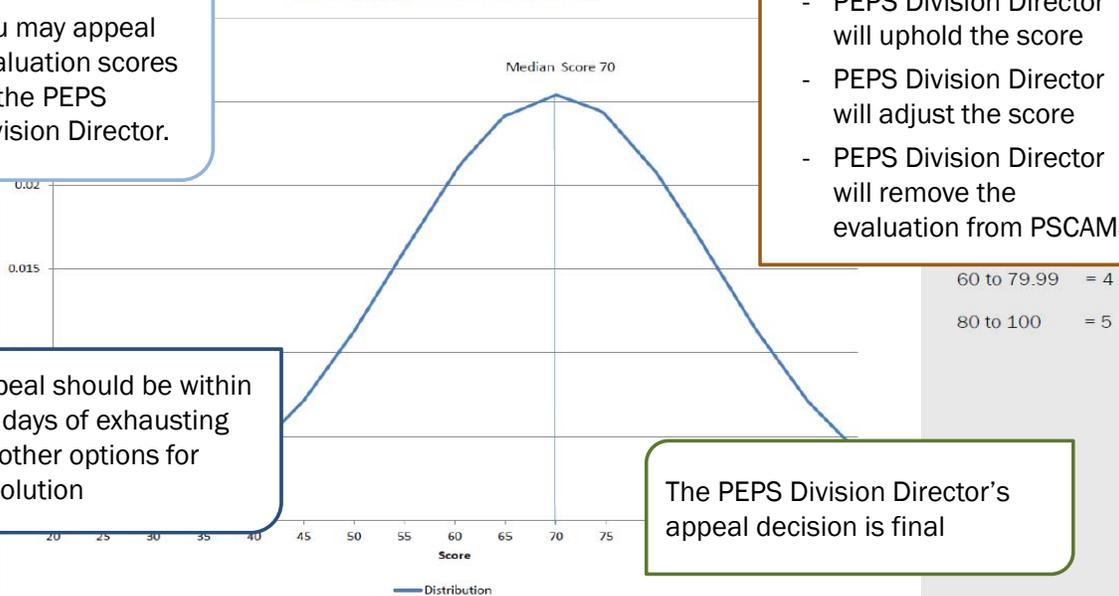
- Consultant accepts the BAFO
- Consultant given a counter offer to BAFO
- TxDOT moves to the next provider

## Prime Provider Evaluations – Consultant Appeals

You may appeal evaluation scores to the PEPS Division Director.

Appeal should be within 10 days of exhausting all other options for resolution

Firm Performance Evaluations



Three possible outcomes:

- PEPS Division Director will uphold the score
- PEPS Division Director will adjust the score
- PEPS Division Director will remove the evaluation from PSCAMS

The PEPS Division Director's appeal decision is final

## Performance Metrics

Contract spending – Strategy 111 (monthly/annually)

Procurement (advertisement; selection; negotiation)

Contracts with zero work authorizations

Invoice payment / late invoices

Prime provider evaluations (Sunset requirement)

Work authorization execution in 50 days

Time between contract execution and first WA request

## External partners - how do you get started?



Visit [TxDOT.gov](http://TxDOT.gov)

Attend breakout sessions to learn more

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## Procurement Tips



## Internal partners - how do you learn more?



Talk with your Service Center

Visit PEPS webpage

Attend PEPS training

Attend breakout sessions

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## Enjoy the conference

