



PEPS Fireside Chats

Administrative Qualifications

Status Report

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Presentation Topics



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Brief Overview of TxDOT Administrative Qualifications

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TxDOT uses Qualification-Based Selection (QBS) to procure architectural, engineering and surveying services.



Under QBS, TxDOT selects firms based on their qualifications.

We do not ask for or make any selection based on cost. Cost is negotiated once a firm is selected.

Get Started

[Get started](#) on becoming precertified or administratively qualified.

- [Become Precertified](#)
- [Become Administratively Qualified](#)

Find Opportunities

Find and get information on current contracts with architectural, engineering and surveying services.

- [Fiscal Year 2021 Procurement Plan](#)
- [Consultant Information Meetings](#)
- [Advertised Contracts](#)
- [Selected Consultants](#)

Brief Overview of TXDOT Administrative Qualifications



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Become Administratively Qualified

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Administrative qualification is a process TxDOT uses to verify that your firm has an indirect cost rate that meets TxDOT requirements.

Become Administratively Qualified

You may demonstrate administrative qualification by an audit or by self-certification of its incorporated entity or business segment. TxDOT requires the use of direct labor cost as the allocation base for allocating indirect costs.

- [Certified Public Accountant \(CPA\) Audit](#)
- [Self-Certification](#)
- [Safe Harbor Rate \(applies only to Texas firms seeking first-time approval\)](#)
- [Overhead Review Process for Administrative Qualification](#)

Submit Qualification Documentation

After an audit is complete, you must submit qualification documentation for review.

- [Submittal and Review Process](#)

AQ Status Update for 2020 OHA Review Period

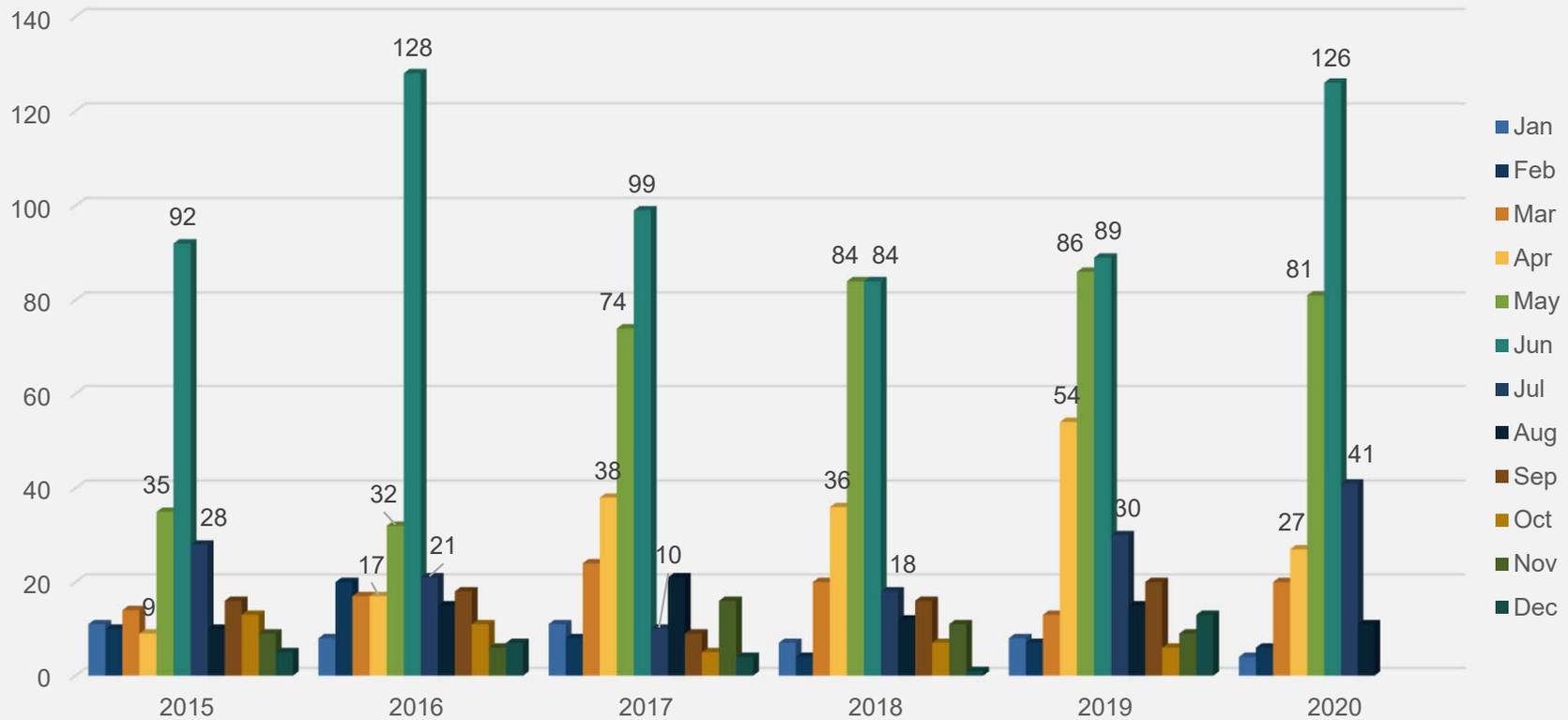
AQ Status Update for 2020 OHA Review Period



AQ Packages Received - Monthly

YEAR	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Grand Total
2015	11	10	14	9	35	92	28	10	16	13	9	5	252
2016	8	20	17	17	32	128	21	15	18	11	6	7	300
2017	11	8	24	38	74	99	10	21	9	5	16	4	319
2018	7	4	20	36	84	84	18	12	16	7	11	1	300
2019	8	7	13	54	86	89	30	15	20	6	9	13	350
2020	4	6	20	27	81	127	42	18					325
Grand Total	49	55	108	181	392	619	149	91	79	42	51	30	1846

AQ Packages Received - Monthly



Key messages:

- Most packages received during May and June timeframe.
- 42% more packages received in June 2020 vs. prior year.
- More packages received in July 2020 due to filing extension provided.



Key Takeaways

- Most packages received between April and July
- 2020: 85% of packages were received between April and July (277 out of 325)
- 2019: 74% (259 out of 350)
- Does not include State Rate approvals

AQ Packages Approved by Year

Audit Type	2015	2016	2017	2018	2019	2020	Grand Total
CPA	134	143	162	167	178	169	953
Self-Certified	89	129	129	122	135	155	759
Safe Harbor	24	31	30	9	24	12	130
Grand Total	247	303	321	298	337	336*	1842
	YOY Growth	23%	6%	-7%	13%		
	Projected Growth at Year End					17%**	59%

- * 2020 represent January thru August.
- ** Estimated an additional 56 packages to be received and reviewed remainder of Calendar year based on prior year trend and current “open” packages.
- 59% Growth over 6 year period compared to 2015.

- Does not include firms that have accepted State rate.
 - (283 Firms in 2020)
 - (25% increase from 2019 - 227 firms)
- State rate approvals require verification with Secretary of State and State Comptroller offices.
- COVID-19 and Ransomware did not affect productivity of approvals.

Response to COVID 19 – Changes in Operations



- Staff was 100% virtual – used existing technology for operations
- Ransomware attack – enacted a 30-day extension for submittals expiring June 30th
- Incorporated the 90-day extension allowed by TAC rule

Reminders on Process Changes

Changes to Process incorporated this year

Bonus Plan
requirement

Excel files
from PDF

CPA
Workpapers
request

Check Web
Site often

Most common errors encountered

Non-completion of the National Compensation Matrix (NCM)

Not submitting forms under legal name (no DBA's)

Depreciation calculated incorrectly

GL detail not descriptive enough

Wrap Up and Q&A



PEPS_Admin_Quals@txdot.gov for all submittals and inquiries

Future training opportunities (coordinated with ACEC and FHWA)

Collaboration with PEPs Support Centers

Continuous evaluation of Administrative Qualifications program

Future Fireside Chats

Date	Time	Topic	Presenter
November 6, 2020	10:00-11:15	PEPS COVID Response – Lessons Learned	Martin Rodin
January 8, 2021	10:00-11:15	Annual Rate Negotiations - Implementation	Norma Glasscock
March 5, 2021	10:00-11:15	Electronic Submittal Platform - Implementation	Dan Neal
May 7, 2021	10:00-11:15	How to Avoid Disqualifications in a Proposal	Phil Howlett
July 9, 2021	10:00-11:15	Prime Provider Evaluations – Status Report	Martin Rodin
September 10, 2021	10:00-11:15	Ethics in Engineering Procurement	Dione Albert



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