



PEPS HUB & DBE Updates and FAQ

2022 PEPS Conference

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Attachment H Updates



50% Reduction
in Language

Logical Flow of
Information

Focused on
Requirements;
Removed
Procedures

Removed
Repeated
Information

Linked to
Regulations

Attachment H – Exhibit H-2 Updates

EXHIBIT H-2
(State Funded - HUB Goal)
Texas Department of Transportation
Subprovider Commitment Agreement

This Exhibit must be completed and attached to each Work Authorization (WA), or Specific Deliverable (SD) contract without WAs, for all Historically Underutilized Business (HUB) subproviders.

Contract Type:	Indefinite Deliverable	WA No.		SWA No.	
Provider Firm Name:					
Subprovider Firm Name:					

HUB Subprovider Contract Goal % (for this subprovider, as shown on the HSP of the contract)		WA Amount:	
HUB Subprovider Total Commitment % (for this WA or SD without WA contract)		SWA Amount:	
HUB Subprovider Revised Total Commitment % (for this WA or a SA to a SD contract without WA). Revised % must be associated with a SWA to an SD contract without WAs. If a revised HSP is required, then a SA to the contract must be executed prior to the SWA execution.		Revised WA Amount:	

Description of Work (List by category of work or task description. Attach additional pages, if necessary.)	Dollar Amount (For each category of work or task description listed.)

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Provider Firm Name:					
Subprovider Firm Name:					
Description of Work				Dollar Amount	
(List by category of work or task description. Attach additional pages, if necessary.)				(For each category of work or task description listed.)	

REMOVED

- HUB Subprovider Contract Goal %
- HUB Subprovider total WA Commitment %
- Revised HUB Subprovider Commitment %
- WA Amount
- SWA Amount
- Revised WA Amount

Frequently Asked Questions

**What is my HUB or DBE
subcontracting goal?**



The DBE goal advertised in the solicitation is assigned by Civil Rights. This is your DBE goal and doesn't change over the life of the contract.

To count towards the goal, the DBE must:

- be certified by the Texas Unified Certification Program
- be certified in the work category & NAICS code for services to be performed at the time the contract is executed
- be certified at the time the subcontract (between the prime provider and subprovider) is executed, and
- perform a commercially useful function



HUB advertised goals based on CPA's "Annual HUB Procurement Utilization Goal" for Professional Services work - currently 23.7%

Aspirational goal is what is advertised - Good Faith Effort should be made to achieve this percentage

HUB subcontracting commitment shown on the HSP becomes the contract goal

Certified with the Comptroller of Public Accounts or MOA and **MUST** renew certification every four years

If a HUB or DBE is added to a contract through a supplemental agreement, can their percentage count towards the goal?



Yes, but... the Prime Provider must:

Update the HSP

Complete Form 2580 HUB HSP Change Request and submit for approval

Delete and replace Exhibit HSP with the Supplemental Agreement

Update WA with a Supplemental Work Authorization to add a new Exhibit H-2



Yes, but the DBE must be...

- certified in the work category and the NAICS code, for the services that they are to perform, and
- certified at the time the Prime/Subprovider contract is executed.

If the new DBE is replacing part or all the work of an existing DBE, submit the following for approval:

- A DBE Termination Request Form 4010 for the existing DBE
- A DBE Substitution Request Form 4011 for the new DBE

What is Self-Performance?



Prime Performs Work

Prime is a Certified DBE in NAICS Work Codes

Work Codes Align to TxDOT Precertified Work Categories

May also have DBE Subproviders



Prime will not be subcontracting any portion of the contract

Prime will fulfill the entire contract with its own resources

This includes, employees, supplies, materials and or equipment

**Can the prime provider move work
between subproviders?**



Yes, but if this involves HUB subproviders then

- Make a Good Faith Effort (GFE) to either:
 - Move existing work to another subprovider already on the contract.
 - Find another HUB subprovider to make up the difference in HUB percentage.

Update the HSP and complete Form 2580 HSP Change Request.

Update contract with a Supplemental Agreement to delete and replace Exhibit HSP. (and Exhibit H-2 if applicable)



Yes, if the following are approved by TxDOT:

- DBE Termination Request Form 4010
- Good Faith Effort or DBE Substitution Request Form 4011

May require a SA, H-1, SWA, and H-2

**When do I need to update the
H-1 or HSP?**



Firm name change and acquisition

Add or remove subproviders

Changes to subprovider percentages



Firm name change and acquisition

Add or remove subproviders

Changes to subprovider dollar amounts

Changes to subprovider percentages

When do I need to update the H-2?



Firm name change and acquisition

Add or remove subproviders

Changes to subprovider dollar amounts



Firm name change and acquisition

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**What if a subprovider is acquired by a
non-HUB/DBE firm?**



Before Prime/TxDOT Contract Execution

- **DOES NOT** count towards the DBE Goal
- Prime Provider submits an updated H-1 or GFE

After Prime/TxDOT Contract Execution, and after Prime/Subprovider Contract Execution.

- **DOES** count towards the DBE Goal for life of contract
- Prime Provider submits an updated H-1, and H-2 if applicable



Make a Good Faith Effort (GFE) to either:

- Move existing work to another subprovider already on the contract.
- Find another HUB subprovider to make up the difference in HUB percentage.

Update the HSP & Complete Form 2580

- Keep the previous firm's name & update with the percentage completed.
- Add new non-HUB firm's name & percentage as non-HUB subprovider.
- Add new HUB subprovider name & percentage.

Supplement the Contract (and Work Authorization H-2 if applicable)

Only the pre-acquisition percentage will be counted towards the contract HUB goal.

**What if a subprovider changes their
legal name?**



Update the Exhibit HSP

- Update with new firm name and add a parenetical former subprovider name.
i.e., *ABC Engineering, inc. (formerly XYZ, LLC)*

Complete Form 2580 HUB HSP Change Request

Update contract with a Supplemental Agreement to delete and replace Exhibit HSP

If subprovider is on an existing WA, update with a Supplemental Work Authorization to delete Exhibit H-2



Update Exhibit H-1

- Update with new firm name followed by the former subprovider name.
i.e., *ABC Engineering & Surveying Corporation (formerly XYZ, LLC)*
- Update Contract with a Supplemental Agreement to delete and replace Exhibit H-1.

Update Exhibit H-2

- Update with new firm name followed by the former subprovider name.
i.e., *ABC Engineering & Surveying Corporation (formerly XYZ, LLC)*
- Update Work Authorization with a Supplemental Work Authorization to delete and replace Exhibit H-2.

**What if a subprovider becomes
decertified?**



Continue as if they were still certified

Counted for the life of the contract

No updates to Attachment H Exhibits



Subprovider percentage is counted until the end of the fiscal year

- If subprovider intends to recertify, no action required

If they do not intend to recertify, or have graduated from the HUB program

- Make a Good Faith Effort (GFE) to either:
 - Move existing work to another subprovider already on the contract.
 - Find another HUB subprovider to make up the difference in HUB percentage.

Update the HSP and complete Form 2580 HSP Change Request

Update contract with a Supplemental Agreement to delete and replace Exhibit HSP (and Exhibit H-2 if applicable)

What are the compliance requirements?



Enter monthly payments into PS-CAMS Online Reporting System

- Due by the 10th of the month (except for March & September – due the 5th of the month)
- This creates the Progress Assessment Report (PAR)

Complete Monthly Form 2579 HSP Progress Compliance

- Complete Section 1
- Same due date as the PAR

Approve/sign Exhibit H-4 – Subprovider Final Report



Enter monthly payments into PS-CAMS Online Reporting System

- Due by the 10th of the month (except for March & September – due the 5th of the month)
- Create the Progress Assessment Report

Approve/sign Exhibit H-4 – Subprovider Final Report

Resources

Subprovider Utilization Report



Template Updated: October 2022 - Version 1

Provider Name		ABC Firm Name, LLC	
Contract Number		12-3IDP4567	
Contract Goal Type	DBE	PS Contract Number	1234
Reporting (Month) Period	10/2022	% DBE Commitment on the H-1	16.50%
Total Amount Paid to the Prime Provider from the State for this Reporting Period (all WA's)			\$32,000.00

Contract Information		Contract DBE Status	
		(Status Based on Total of Executed Work Authorizations Only)	
Original Contract Amount	\$5,000,000.00	Total WA Amt Executed	\$1,100,000.00
Executed SA Totals to Date	\$100,000.00	DBE \$ Paid to Date	\$80,000.00
Total Contract Amount	\$5,100,000.00	DBE % Committed to Date	15.00%
Less Total Executed WAS (includes SWAs)	\$1,100,000.00	DBE % Paid to Date	7.27%
Contract Balance Remaining	\$4,000,000.00		

Information Below Based on All Executed Work Authorizations (Including Supplemental Work Authorizations)

Line No.	Subproviders Name: DBE only (Enter Alphabetically)	Total Executed WA Amount by Subprovider	Amount Previously Paid	Amount Paid this Reporting Period	Amount Paid to Date	% to Date Paid per Subprovider
1	AAA Sub Name	\$50,000.00	\$16,000.00	\$2,000.00	\$18,000.00	36.00%
2	BBB Sub Name	\$60,000.00	\$58,000.00		\$58,000.00	96.67%
3	CCC Sub Name	\$55,000.00		\$4,000.00	\$4,000.00	7.27%

Instructions	Contract Roll-up	WA#1	WA#2	WA#3	WA#4	WA#5	WA#6	WA#7	WA#8	WA#9	WA#10	WA#11	WA#12	WA#13	WA#14	WA#15
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HUB/DBE



DRIVE



HSP



Click or Scan!



*DRIVE Program
Update*

San Marcos Room

Today 3:45-4:30

*PS-CAMS Update
and Tips & Tricks*

San Marcos Room

Tomorrow 8:00-9:30

Reminders



Read RFP (section 22) and Contract Provisions

Monitor HUB or DBE Utilization

Use compliance resources

When in doubt, contact your PEPS Service Center


Questions and Discussion



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