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Acquisitions and Name Changes – things to consider

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Pre-Implementation Meeting

- Schedule a brief meeting to discuss the acquisition prior to making any changes, as some changes may impact current or upcoming procurements. Changes can affect:
 - Administrative qualification status
 - Procurements, if changes occur during the procurement
 - Payments if the name on the invoice differs from the name of the contract
- These meetings are held with the PEPS:
 - Business Operations Section (Administrative Qualifications),
 - Center of Excellence (Precertification), and
 - Support Services Section (Agreement processing)

Administratively

Qualified

Administratively Qualified (AQ)

Firms currently AQ may retain their status if they continue to operate independently with separate bookkeeping.

If a firm merges with or is acquired by another firm, AQ status does not transfer to the operating firm that is not AQ.

AQ status does not roll up to parent firms or separate subsidiaries.

All documentation submitted must be in the legal name of the firm seeking to be AQ.

A firm may choose to change their fiscal year as needed. The PEPS AQ team must be contacted prior to making any changes.

Expenses for reorganization (to include acquisitions) are unallowable per FAR 31.205-27.

Refer to AASHTO Audit Guide Chapter 8.19 – Organization and Reorganization Costs

When to reach out?

IMMEDIATELY!

- Administrative Qualifications verification may be required.
- Issues with Administrative Qualifications may result in a disqualification.

PEPS_Admin_Quals@txdot.gov

Roy Gonzales – PEPS Operations Section
Director

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Who to reach out to?

Precertification

What is Precertification?

- A vital part of the PEPS contracting program
- A requirement for task leaders of standard work categories
- An acknowledgement that minimum qualifications were met
- A way to verify qualifications outside of the selection process
- Listed in the solicitation and required on the PTC form

Precertification – Changing Who Employees Report to

Employee must be associated with a company to participate or be used as a task leader in a procurement

Individual can only be associated with (employed by) a single firm.

PEPS requires written request from the firm requesting an employee be added or removed from the list of associated employees

Changes are typically made within a few days of request receipt

Requests should be submitted to PEPS_CCIS_Precert@TxDOT.gov

With any change
timing is critical!



Precertification Changes

- Determine the status of current procurement pursuits that the firm is involved in
- Avoid changing firm names or moving employees in the midst of a procurement
- New PTC form is designed to help have up-to-date data prior to the procurement closing deadline
- PTC form is no longer dynamic once submitted with the proposal package

Do not risk disqualification!

Contracting Phase

Proposal

- Contract documents will reflect all members of the team



Execution

- Name changes will be addressed

When to reach out?

IMMEDIATELY!

Issues with Precertification may result in a disqualification.

PEPS_CCIS_Precert@txdot.gov

Dan Neal – PEPS COE Section Director

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Who to reach out to?

Branding & Proposal Submission

Branding & Proposal Submissions



Firm name or branding is important for customer recognition and trust



Consistent use of the same name or branding throughout the proposal package is critical.



Names in CCIS and referenced on the PTC form must match the firm name used in the actual proposal document.



Inconsistent use of names within the documents causes confusion and possible disqualification.

Novation Agreements



Supplemental Agreements



Firm Name Changes vs. Firm Name Assignments



Required Documentation



Who to Contact and When to contact them



Agreements executed and Next Steps

Supplemental Agreements are needed
for all active contracts affected by

Mergers

Acquisitions

Official
Name
Changes

Supplemental Agreements (SA)

A GLOBAL SA will be used to update all contracts at once.

Multiple Global SAs may be needed if consultant has Engineering / Survey / Architecture contracts.

Global Supplemental Agreement will be either:

- FNA – FIRM NAME ASSIGNMENT
- FNC – FIRM NAME CHANGE

FNA - when new provider replaces original provider

- Sale of underlying assets of the original provider
- Change in the original provider's legal identity because of a change of business form (corporation to partnership)

Only TxDOT may authorize assignment

- Assignment form must have signature of:
 - authorized representative of the original provider
 - authorized representative of the new provider (may be the same person), and
 - authorized TxDOT representative.

FNC - when provider changes its name, but not legal identity

- Must submit documentation showing that the name change has been legally implemented.
- Involves changing the name legally through the Secretary of State.
- TxDOT contract managers require contractor to affirm in writing that the contractor's personnel assigned to the project will not change.

Documentation Required

- For FNA & FNC you will be asked to submit:
 - Signed 1560-CS (Insurance) with new provider info
 - 1295 for each contract (as applicable)
 - Letter 147c –IRS
 - New AP-152 with updated taxpayer info
 - Form 74-176 (Direct Deposit Form)
 - Updated PPI for each contract
- FNC – Secretary of State Name Change Certificate
- FNA - Proof of assignment

When to reach out?

IMMEDIATELY!

- Several documents need to be submitted to SSC for validation. Reach out as early in the process as possible.
- Delay could affect firm's invoicing process.

PEPS_SSC_FirmChanges@txdot.gov

Tina Farias – SSC Manager

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432-202-2144

Who to reach out to?

Supplemental Agreement is executed, now what?

Payment processing

- Contracts with invoices in process under **OLD FIRM NAME** need to be received, reviewed, approved, and PAID prior to issuing any invoices under **NEW FIRM NAME**

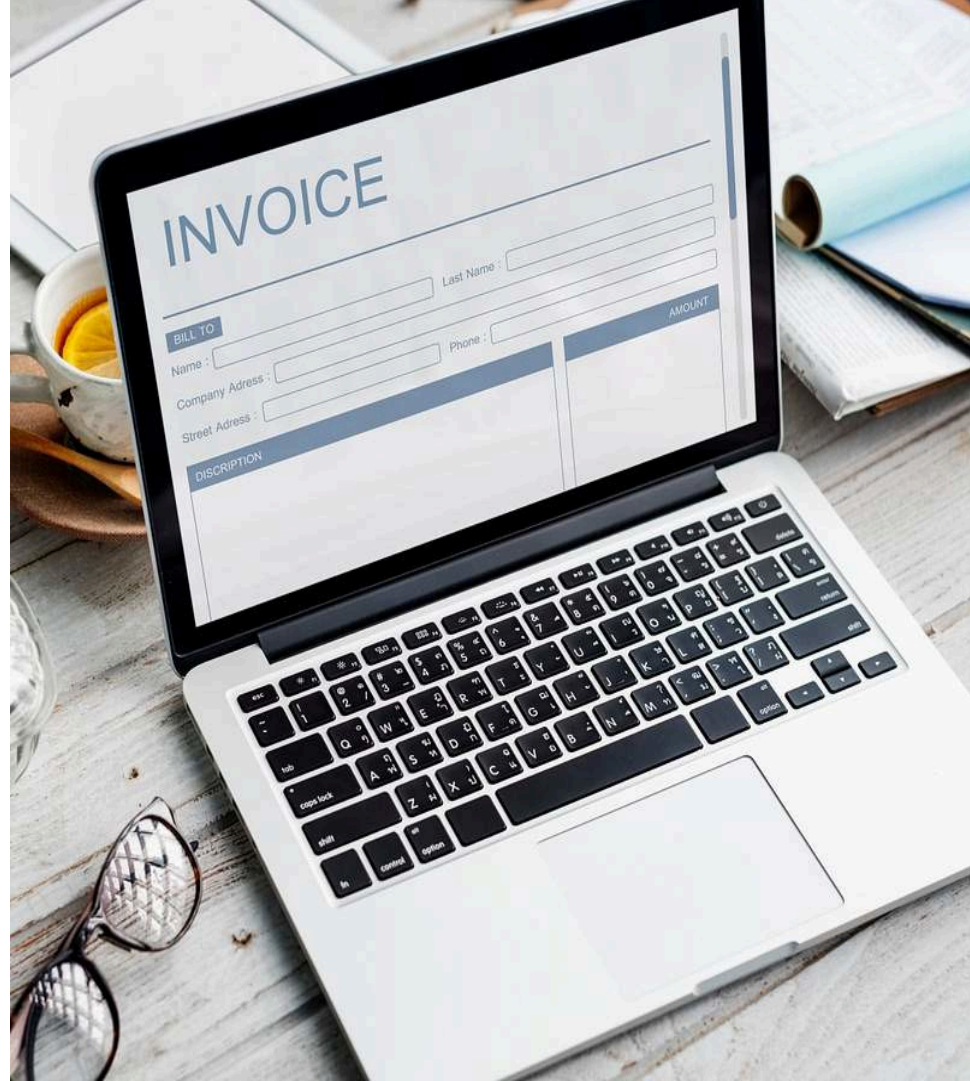
Contract execution

- Consultant will need to maintain contact with the PEPS Invoice Center to ensure smooth processing of invoices.
- Once Invoice Center confirms, SSC can make the required changes to the TxDOT financial system for payment on Contracts/Work Authorizations.

Invoicing

Invoicing Issues

- A firm must:
 - Invoice under the name identified in the contract
 - Use the appropriate Federal ID Number or Vendor ID assigned that corresponds to its name
- Once the appropriate contracting documents have been amended to recognize the new or changed name, a firm may bill under the new or changed name



Invoice Issues

- Communication is key.
- Reach out to the PEPS Invoice Center to inform them of the impending name change.
- The Invoice Center will:
 - Work to ensure the processing of submitted (pending) invoices under the previous name prior to the execution of the name change agreement and data system changes.
 - Provide guidance on the submission of invoices during the transition.

When to reach out?

IMMEDIATELY!

Issues with invoices may result in delayed payments.

PEPS_InvoiceInquiries@txdot.gov

Tira Dobrozensky– PEPS Invoice Center
Section Director

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Who to reach out to?

Resources

When to reach out?

IMMEDIATELY!

Who to reach out to?

Administrative Qualifications: PEPS_Admin_Quals@txdot.gov

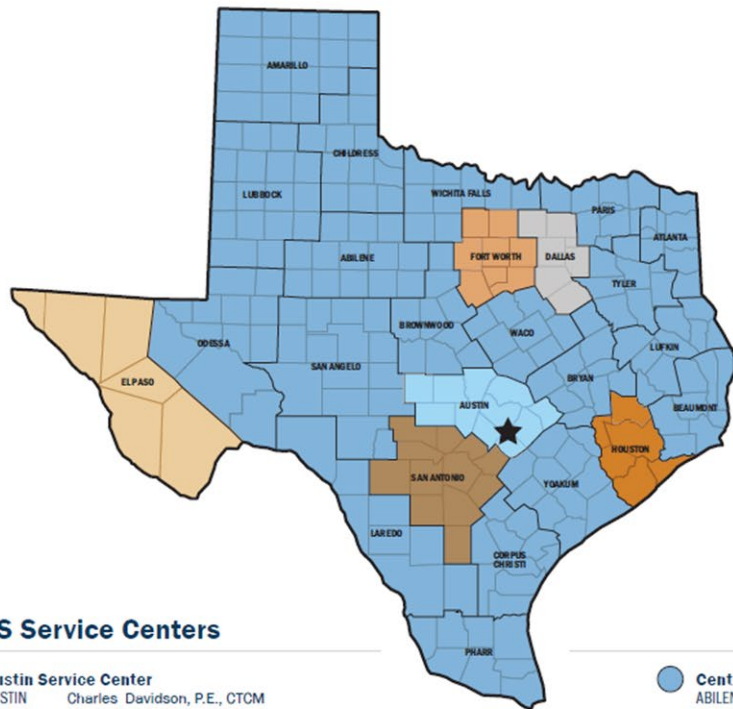
Precertification: PEPS_CCIS_Precert@txdot.gov

Firm and Name Changes: PEPS_SSC_FirmChanges@txdot.gov

Invoices: PEPS_InvoiceInquiries@txdot.gov

TxDOT PEPS Webpage

<https://www.txdot.gov/business/peps.html>



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