



MEMORANDUM

TO: Chairman Adrian Neely
Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) & Small
Business Enterprise Procurement Program Advisory Committee

FROM: Karl R. Rábago
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DATE: 5 April 2011

SUBJECT: Supplemental Information on Work Assignments under Austin Energy Federal
Low Income Weatherization Program

On 30 March 2011, during a special-called meeting of the Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) & Small Business Enterprise Procurement Program Advisory Committee (the Committee), the topic of work assignments under Austin Energy's Federal Low Income Weatherization ("WX") Program was discussed. This memorandum provides documentation of the information that I provided at that meeting.

The issue of fair allocation and assignment of work under the WX program has been a topic of frequent discussion at meetings of the Committee and its Weatherization subcommittee. Austin Energy reports work assignments to the Committee every month.

The contract that Austin Energy executed with its weatherization contractors is clear on the issue of work assignment. The contract provides that:

"Distribution of file assignments (work orders) to Contractors shall begin on an equal basis as long as Contractor performance is in accordance with the requirements of this solicitation. The City/County reserve the right to increase or decrease file assignments based on Contractor performance in order to ensure that the program's performance goal is met. . ."

Austin Energy has assigned work under the contract in conformance with this contract clause. As a result, while actual jobs assigned may vary between contractors, the fact that the allocation of work is not equal does not mean that the allocation is not fair and proper.

Austin Energy believes that the Committee recommendations and questions on this topic are based on a desire, shared by Austin Energy, that all contractors enjoy a fair opportunity to perform the maximum amount of work they can perform well.

During the course of the contract performance, Austin Energy was experiencing a large number of failed inspections on weatherization work performed by contractors. Concluding that the performance problems underlying these results could interfere with contractors enjoying the opportunity to maximize the amount of work they could perform, Austin Energy undertook a

number of steps to improve communications and understanding about performance expectations. These steps included:

- Mandatory monthly meetings for contractors and subcontractors, with slide shows and discussion on performance problem issues.
- Assignment of Austin Energy staff to accompany contractors at weatherization sites to provide supplemental training on site
- Coordination of inspections with contractors present to allow education and immediate defect correction

As a result of these and other measures, monthly inspection failures fell by 50% from January 2011 to February 2011, and by another 50% between February and March. Austin Energy is continuing these measures and efforts.