

RESOLUTION NO.

The City Council repeals and replaces Resolution No. 20071108-127 with the following:

WHEREAS, each year, the City of Austin enters into multiple third-party agreements, which provide for the construction of public improvements or improvements to City real property by a third party rather than through a direct contract between the City and a general contractor; and

WHEREAS, the City may enter into agreements with private entities requesting City investment for private improvements to private land; and

WHEREAS, such third-party agreements include developer participation agreements, economic development agreements under Chapter 380 of the Texas Local Government Code (“Chapter 380 Agreements”), ground lease agreements, all third-party agreements negotiated between the City and private entities desiring to develop City-owned property; and any agreements pertaining to facilities constructed by private entities in conjunction with reliance on the City’s endorsement pursuant to the Texas Major Events Trust Fund Act (“Eligible Third-party Agreements”); and

WHEREAS, the City values ensuring certified minority-owned and women-owned businesses are provided an equal opportunity to participate as

suppliers of material and services on projects resulting from Eligible Third-party Agreements;

WHEREAS, the City desires that the City's Eligible Third-party Agreements comply with the standards and principles of Chapters 2-9A through 2-9D of the City Code regarding minority-owned and women-owned business enterprises (the "City's M/WBE Ordinance");

WHEREAS, the City desires that the City's Eligible Third-party Agreements require efforts be made to provide minority-owned, women-owned, and local small businesses an equal opportunity to participate as suppliers of material and services for the subject project;

WHEREAS, the City desires to redress the unemployment and under-employment in the Austin area by expecting efforts be made to recruit local candidates for employment at the subject project;

WHEREAS, the City desires such efforts will increase the availability of new full-time jobs for local residents; **NOW, THEREFORE**,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

1. It is the policy of the City that Eligible Third Party Agreements comply with the standards and principles of the City's M/WBE Ordinance.
2. Eligible Third-party Agreements are to contain contract terms requiring the third party or private entity entering into the contract (the "Third Party") to comply with the standards and principles of the City's M/WBE Ordinance.
3. Consistent with the standards and principles of the M/WBE Ordinance, Eligible Third-party Agreements will include the establishment of ethnic specific M/WBE utilization goals, and a requirement that contractors and consultants on the subject project either meet the ethnic specific M/WBE utilization goals or demonstrate a good faith effort to meet the goals with respect to any design or construction projects including, but not limited to, construction of any leasehold improvements for the subject project. In the event the subject project is assisted by the City's financial investment (either the payment of dollars or waiver of taxes or fees), the goals shall be applied to the value of the entire subject project (as that term is defined in the agreement)—not limited to the value of

financial investment provided by the City. In the event the Third Party enters into a build-to-suit lease or turn-key tenant improvement lease for the subject project, it is the Third Party's responsibility to ensure the landlord complies with this provision for all construction and design relating to the Third Party's move-in.

4. When the Eligible Third-party Agreement is a developer participation agreement, the obligations of the City and the private entity are governed solely by the requirements contained in this paragraph. First, the City shall encourage the private entity to comply with the standards and principles of the M/WBE Ordinance on (a) the design of the water and wastewater infrastructure and related facilities; and (b) the design and construction of the subject project. Second, the City shall inform in writing all applicants for a service extension request that they are encouraged to comply with the standards and principles of the M/WBE Ordinance in the design of the water and wastewater infrastructure and related facilities. Nothing in this resolution modifies the continued applicability of the full M/WBE Ordinance to the procurement and construction of the subject infrastructure resulting from a service extension request under Chapter § 25-9 of the City Code.

5. When a request is made for the extension of electrical facilities, the City's full M/WBE Ordinance shall apply to the procurement, design, and construction of the electrical facilities.
6. When applicable, Eligible Third-party Agreements shall include the requirement of an outreach program designed to solicit participation of minority-owned businesses, women-owned businesses and small businesses.
7. The Third Party shall apprise the City's Department of Small Business and Minority Business Resources ("SMBR") when the Third Party desires assistance from SMBR in its efforts to meet the ethnic specific M/WBE utilization goals. This assistance may include identifying potential scopes of work (including, but not limited to, design, construction, and supply services), providing availability lists, establishing the bid packages available, scheduling and hosting outreach meetings, and otherwise assisting in soliciting bids from M/WBEs.
8. When applicable, the Eligible Third-party Agreement shall include a requirement that the Third Party use commercially reasonable efforts to provide minority-owned, women-owned, and local small businesses an equal opportunity to participate as suppliers of

materials and services for the subject project (the “Suppliers Diversity Commitment”).

9. The requirement to comply with the standards and principles of the M/WBE Ordinance and the Suppliers Diversity Commitment shall be included in the City’s solicitation documents, if any, for the subject project.
10. The obligation to comply with the standards and principles of the City’s M/WBE Ordinance and the Suppliers Diversity Commitment shall be material terms of the contract. Failure to comply with the standards and principles of the M/WBE Ordinance and/or the Suppliers Diversity Commitment shall be treated as breach of the contract, which will be subject to breach of contract remedies. The breach of contract remedies shall include the appropriate sanctions provided in the M/WBE Ordinance. Additionally, under Chapter 380 Agreements, if the Third Party (or landlord) fails to comply with the standards and principles of the M/WBE Ordinance, it shall be required to forfeit the City’s financial investment (either the payment of dollars or waiver of taxes or fees) for the applicable compliance period as defined in the agreement. In the event the Third Party has received an up-front monetary contribution from the City or a waiver

of taxes or fees on the front-end of the compliance period and the Third Party (or landlord) fails to comply with the standards and principles of the M/WBE Ordinance, it shall be required to promptly return all monies or reimburse the City for any waiver of taxes or fees received from the City with interest.

11. The requirement to comply with the standards and principles of the M/WBE Ordinance shall be addressed and negotiated at the earliest stages of negotiation of Eligible Third-party Agreements so as to allow ample opportunity for the standards and principles of the M/WBE Ordinance to be fully incorporated into the agreement and other contract documents.
12. The City employees who negotiate Eligible Third-party Agreements will be trained in the standards and principles of the M/WBE Ordinance in order to carry out the directives of this resolution.
13. Eligible Third-party Agreements will include monthly reporting requirements to allow SMBR to track compliance with the requirements contained herein.
14. Eligible Third-party Agreements shall include the requirement that the Third Party make commercially reasonable efforts to recruit residents of the Austin area for available employment opportunities.

15. SMBR shall report its determinations of compliance or noncompliance with the negotiated standards and principles of the M/WBE Ordinance to the SMBR Advisory Committee and the MBE/WBE & Small Business Council Subcommittee.
16. Eligible Third Party Agreements do not include (1) agreements for the sale of land in which no continuing contractual relationship will exist between the purchaser and the City, (2) interlocal agreements administered by another governmental entity, and (3) agreements for privately-funded public improvements incidental to private development.
17. Any provisions of this Resolution that are inconsistent with its predecessor, Resolution No. 20071108-127, are inapplicable to Third-party Agreements executed prior to the effective date of this Resolution.

ADOPTED: _____, 2012 **ATTEST:** _____

Shirley A. Gentry
City Clerk