



Approved 8.7.12

**MBE/WBE and Small Business Advisory Committee
Minutes**

**Regular Meeting
Thursday, July 19, 2012**

The MBE/WBE and Small Business Advisory Committee convened in a regular meeting on Thursday, July 19, 2012 at 301 W. 2nd Street Room 1101 in Austin, Texas.

1. CALL TO ORDER

Chair Ed Lowenberg called the Board Meeting to order at 5:35p.m.

Board Members in attendance were Ed Lowenberg, Anne Harutunian, Barbra Boeta, Schiller Liao, Andy Ramirez and Regina Adams.

2. APPROVAL OF MINUTES

The Committee approved the June 5, 2012 regular meeting on a motion by Mr. Ramirez and seconded by Mr. Liao. Motion passed 6-0.

3. CITIZEN COMMUNICATION

Ms. Julio P. Trevino, T-N-G Construction, LLC. expressed concerns regarding several issues on the Pickfair Recreation Center & ADA & Parks Improvement project.

Mr. Paul Saldana, US Hispanic Contractors Association de Austin (USHCA) expressed concerns regarding minority participation on the Dunlap Substation Rebid project and requested that the primes past performance be reviewed prior to solicitation of rebid.

Ms. Carol Hadnot, Austin Area Black Contractors Association (ABCA) expressed her concerns on the Dunlap Substation Rebid project and pass-through issue with the Pickfair Recreation Center & ADA & Parks Improvement project.

Mr. Juan Oyervides, USHCA requested status on a goal performance report card for contractors awarded contracts.

Ms. Carol Hadnot, ABCA readdressed concerns regarding activities in the plan room with a non-certified firm and requested status of the investigation.

4. OLD BUSINESS

Item 3a. Update on procurement opportunities on the US Farathane project.

Mr. Brent Ramirez, Construction Manager, US Farathane project briefed the Committee regarding the status of minority participation in the first and second phases. Mr. Ramirez reported details regarding the construction phases, potential subcontracting opportunities and its outreach efforts.

Chair Lowenberg requested that Mr. Ramirez provide an expenditure report to the Committee via Ms. Debra Dibble, Acting Director, SMBR. He also requested that SMBR staff provide a copy of the reporting criteria on third party agreements at the next meeting.

Citizen's Communication

Ms. Carol Hadnot, ABCA expressed concerns regarding US Farathane's outreach efforts. She only received an addendum to the solicitation and was only given three days to respond. She also requested a detailed report on subcontractor's participation.

Mr. Paul Saldana thanked US Farathane for agreeing to incorporate the language in the Third Party Resolution adopted by Council in January 2012 although their contract was awarded prior to its adoption. He also requested a report detailing subcontractor participation.

Item 3b. Update regarding the Northwest C Pump Station council award.

Mr. Daniel Layton, Project Manager, Public Works briefed the Committee on the specialized scopes of work necessary for the Northwest C Pump Station project as requested.

Item 3c. Update from the Weatherization Committee regarding Austin Energy's Home Energy Assistance Program (HEAP) solicitation, existing Weatherization contracts and recommendation for a resolution of recognition.

Mr. Rolando Fernandez, Assistance Director, Contract Management Department (CMD) and Mr. Edward Campos, Division Manager, CMD briefed the Committee on the various delivery methods and evaluation criteria for the HEAP solicitation. CMD recommends the Job Order Contract delivery method in order to maximize subcontracting participation as primes.

The Committee requested CMD provide more details regarding local preference and an update on additional JOC coefficient training to contractors.

Citizen's Communication

Ms. Carol Hadnot, ABCA expressed concerns for using the JOC delivery method and requested that more training on coefficient and the RS Means Control Data book is provided to the contractors prior to solicitation.

Mr. Joe Guerrero, Conservation Program Manager, Austin Energy briefed the Committee on Austin Energy's Meadowbrook Project. The project is proposed as a joint effort by Austin Energy Free Weatherization, Texas Gas Services and the Housing Authority of Austin to improve the living conditions for the residents of Meadowbrook Apartment Complex.

Mr. Ramirez stated that the Weatherization Committee supports this project and sees it as a great opportunity for all involved.

Mr. Lowenberg agrees and endorses the Meadowbrook Project.

During the presentation, Mr. Liao left the dais at 7:16 p.m.

Ms. Debra Dibble, Acting Director, SMBR presented the Committee with a final draft Resolution of Acknowledgement for the successful implementation of the ARRA Weatherization Assistance Program.

Mr. Lowenberg stated with a typo correction he would entertain a motion to approve the resolution.

Mr. Ramirez stated that the Weatherization Committee supports the resolution and made a motion to approve the draft Resolution of Acknowledgement with said changes. Motion second by Ms. Boeta and passed 5-0.

Item 3d. Update from Contract Management Department regarding the QBS (Qualification Based Selection) Enhancement.

Ms. Harutunian recused herself from discussions due to possible conflict of interest and left the dais.

Mr. Rolando Fernandez, Assistance Director, Contract Management Department (CMD) and Mr. Edward Campos, Division Manager, CMD provided a Power Point presentation to the Committee regarding enhancements to the Qualification Based Selection criteria and matrix. In the evaluation, a new component regarding poor performance has been added so the City can pursue probation, suspension or disbarment based on the collective work experience when it has not been to the City's expectation or on overall past performance.

During discussions, Mr. Ramirez left the dais at 7:55 p.m. although Ms. Harutunian had recused herself from discussions there was still a quorum in the room.

The Committee requested possibility of considering a prime contractor's past performance as part of the criteria process in regards to the MBE/WBE & Small Business Procurement program in the ordinance. In addition, Ms. Adams raised a question regarding reasoning for scoring the MBE WBE procurement program as opposed to pass or fail.

Ms. Cindy Crosby, Legal Department stated that per the Government Code 2254 and it being professional service look strictly at the competence, experience and qualifications although the firm is required to comply with the MBE/WBE Procurement ordinance.

Mr. Fernandez stated that applying a pass or fail would be in violation of Government Code 2254 which states that selections must be made based on the most competent firm.

Item 3e. Overview from Small & Minority Business Resources regarding the Good Faith Effort process.

Ms. Haratunian returned to the dais.

Mr. Raymond Young, Business Development Counselor Senior, SMBR presented a Power Point presentation regarding the MBE/WBE & Small Business Procurement Program's Good Faith Effort process as outlined in the City Ordinance 2-9(A-D)-21.

Mr. Lowenberg requested SMBR staff place on future agenda's discussion and possible recommendations for rule changes to strengthen language, define rule and make improvements to the Good Faith Effort process specifically regarding subcontractor's notification and negotiating in good faith.

The Committee also requested legal staff to review possibility of adding language to the ordinance and rules in regards to firms past performances.

Citizen's Communication

Ms. Carol Hadnot, ABCA expressed concerns regarding measuring good faith efforts and apparent low bidder not meeting goals when second and third bidder has met goals. She requested that more scrutiny is done during compliance plan reviews.

Item 3f. Update from SMBR regarding budget request and overlapping service on service provider contracts.

Ms. Dibble, Acting Director, SMBR informed the Committee that Dr. Clarence Bibby's requested to terminate his involvement with the overlapping service on service provider contracts due to illness. Ms. Dibble informed the Committee that staff is working on getting another third party to perform the audit.

Citizen Communication

Ms. Carol Hadnot, ABCA expressed concerns using EGRSO as auditors and requested SMBR perform this task.

Mr. Juan Oyervides, USHCA requested clarification on the budget amounts presented in the Power Point presentation by SMBR in June.

Item 3g. Update regarding the Mentor Protégé initiative from the Working Group.

Ms. Dibble informed the Committee that the several scheduling attempts have been made by staff for the working group to meet and unfortunately no meeting has occurred.

Mr. Lowenberg requested that he is copied when the next meeting is scheduled.

5. NEW BUSINESS

Item 5a. Review of the MBE/WBE and Small Business Procurement Advisory Committee's progress on 2012 goals.

Chair Lowenberg requested the Committee to review their 2012 goals and bring back to the next meeting priority items for discussion.

6. STAFF REPORTS

Item 6a. Monthly report and update from Small & Minority Business Resources Department (SMBR) regarding the Small Business Construction Program (SBCP).

Mr. Edward Campos, Division Manager, CMD briefed the Committee on current SBCP solicitations.

Item 6b. Monthly report and update from Small & Minority Business Resources Department (SMBR) regarding Request for Changes.

Ms. Debra Dibble, Acting Director, SMBR briefed the Committee on the Request for Change report

Item 6c. Monthly report and update from Small & Minority Business Resources Department (SMBR) regarding Council Awards.

Ms. Debra Dibble, Acting Director, SMBR briefed the Committee on the Council Award report.

Item 6d. Monthly report and update from Small & Minority Business Resources Department (SMBR) regarding Third Party Agreements.

Ms. Dibble, Acting Director and Ms. Jolene Cochran, Business Development Counselor, SMBR briefed the Committee on the new format detailing subcontractor participating on the Third Party Agreement report. Ms. Dibble recommended a detailed report is provided quarterly to the Committee due to staff time involved.

The Committee approved the changes and stated to provide details upon request.

7. AGENDA ITEMS

- Update from Austin Energy's project manager and staff on the Dunlap project.
- Update from the Weatherization Committee regarding Austin Energy's Home Energy Assistance Program solicitation.
- Update regarding reporting firm's goal performance on awarded projects.
- Review of the MBE/WBE and Small Business Procurement Advisory Committee's progress on 2012 goals.
- Update on regarding budget request and overlapping service on service provider contracts

8. ADJOURNMENT

The meeting was adjourned at 9:12 p.m. on a motion by Mr. Lowenberg.