

A Study of the City's Non-Professional Services Solicitations

Presented by Aletta Banks to the
MBE/WBE/Small Business Advisory
Committee

Asian Contractor Association
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Sequence of Events

- In August of 2014, Asian Contractor Association (ACA) brought to the attention of SMBR officials regarding a number of IT-related no-goal projects after receiving feedback from ACA members questioning the no-goal status for those solicitations.
- In a service survey conducted between October and November of 2014, ACA received more feedback from members complaining about the dearth of minority goals and opportunities in the non-professional category.
- In the December SMBR Advisory Committee meeting, ACA addressed to the Board the prevalence of no-goal projects involving non-professional services, considering the fact that 777 vendors are certified in this category out of the total 930 certified vendors. As of February 2nd, 2015, the city is recorded to have 546 Contracts in this category, with a total authorization of \$501,369,141.42 and a total expenditure amount of \$285,233,651.26.
- At the meeting, former Chairman Mr. Lowenberg asked that ACA work with SMBR to learn more about the city's goal setting process and produce recommendations to the Board.
- In working with SMBR, ACA learned that eCapris, a city web application, serves also as a tool to generate goals used by construction project managers. All the other city departments that manage purchases of commodities and non-professional services however do not use this automated system but apply a still very manual process.
- ACA pulled a batch of solicitations published on December 19th to study further and found the following results.

Study Summary

- Only one commodity code identified for each solicitation (SMBR does not set MBE/WBE goals if there is only one commodity code)
- Wrong commodity code
- Single source
- Discrepancy between Request and actual Scope of Work
- Frequent due date change possibly due to the points above
- City already has in mind who the likely candidates are
- Each solicitation passes through at least three people with the last stop at the SMBR department. No one questioned.
- It is the norm to have no minority goals for non-professional services and commodities.
- The MBE/WBE program reach has not gone beyond construction projects as when it first began 30 years ago.
- Major gap between certifications (construction, professional services, non-professional services, commodities) and real program opportunities.

Example #1: RFP 5600 JXH0506

- To implement a highly secured, turn-key ALPR (Automatic License Plate reader System) solution.
- Only one commodity code listed and only one contractor needed
- Wrong commodity code: 96246 (installation services not otherwise not classified)
- Vendors certified under the code are those who provide Flooring, Telephone, Street Signs, Roofing, Fencing, Cabinet, Computer, and similar installation services.
- This is a huge project that covers a wide range of services including consultation, implementation, pricing, testing and supplying cameras and supporting equipment, project management, and installation of ALPS, not installation of what 96246 specifies or rather does not specify.
- Due date had to be extended

Example #2: RFP 8100 PAX0120

- Total Waste Management Services
- One commodity code
- Wrong commodity code (96141 – services not otherwise classified)
- 92645, 92695, 96871, 9687156 , 9687198, 9687199 , 96895, 96896 are all waste management related.
- Requesting only one contractor to provide consultation, supply of equipment, implementation, design and management of waste management services
- Exclusiveness to give all the work to one company

Example #3: IFB 8600 MPM0023

- Fencing installation and repair
- Listed under the Commodities/Good Category
- Only one code is listed and wrong: 33013 (Fencing, Woods –Goods)
- Should have used 98815, 9881528, 9881529-9881529 (fence installation and repair) – Non-Professional
- Bid date had to be changed and extended

Example #4: RFP5600 JXH0505

- To seek Instrumentation and Control Systems (ICS) firms to provide installation and support services
- Only one code listed in the Commodity Category
- 20628 is a code for Goods (Computer System), not installation and support services
- Codes should also include computer systems design services (541512 – Naics or 92046, **92049 92037**) according to a vendor certified under 20628

Example #5:RFP 8700 EAD0120

- Operation of Juvenile Justice Service Youth Program
- 95243 is the only commodity code (family and social services)
- Only one organization will be selected for the project
- Should have included 92476 (Student activity services), 95283 (summer youth program), 92480 (tutoring), 94873 (physical fitness program)
- Bid date had to be extended

Example #6: RFP 5500 EDA0121

- Disaster Planning and Recovery Consultant
- Only one commodity code (91881 – disaster consulting)
- Only one firm needed
- The contractor shall provide technical, professional expertise, knowledge, management, and any other resources identified or required for accomplishing all aspects of the tasks and associated activities identified in the scope of work. In the event the need arises for the contractor to perform related services beyond those stated the contractors and the City shall negotiate mutually agreeable terms and compensation for completing the additional services.
- The request does not match the scope of work that requires more than merely consultation. Also, according to the solicitation, all additional and potential tasks in the future will be given and negotiated with the one selected consultant. Why is this exclusiveness?
- Additional commodity codes such as 91812, 96153, 91522, or 96600 for community assessment, outreach and education, and business community engagement could have been added.
- Bid date had to be extended

Example #7: RFP 5500 PAX0121

- Seek one contractor to operate CARC (City of Austin EB-5 Regional Center)
- To form investments, find immigrant investors, screen investors (\$1 million standard), implement and management a due diligence process to identify sources of capital document, promotion and strategy, and more
- Only one commodity code and it is a wrong code.
- 91838 (Education and Training)
- This is an economic development project, not for education or training.
- Currently closed due to no response

Example #8: Frequent Rebid and bid date change (Dec 8, 2014- Jan 26,2015)

- IFB 2200 ISR0003
- IFB 6200 GLB0011 (rebid)
- IFB 5600 SMW0213
- IFB 2200 STA1145 (changed 3 times)
- RFP 1100 OPJ0113 (changed 2 times)
- IFB 7800 SLW0105 (changed 2 times)
- IFB 7800 SLW0106 (changed 2 times)
- RFP 8300 EAD1117 (rebid)
- RFQ 1100 DNJ0802 (changed date once and rebid)
- RFP 8100 PAX0120 (Given in the example)
- IFB 8600 MPM0023 (Given in the example)
- RFP8700 EAD0120 (Given in the example)
- RFP 5500 PAX0121 (will rebid – given in the example)
- RFP 1500 JRD0303 (changed 2 times)
- IFB 8700 ISR0004
- IFB 7800 SLW0106
- IFBBV 5600 JCN0002
- RFP 5600 JXH0506 (Given in the example)
- IFB 1100 NST0023 (Rebid)
- RFP 1100 GAL0021
- IFB 8100 PAX0056

Tracking City Solicitations

- ACA monitors city solicitations weekly and publishes a weekly bid updates notating minority goals for each solicitation.
- ACA has records to show goals for non-professional services and commodities are non-existent.
- ACA's recent survey shows major concerns from members of this no-goal issue.
- ACA members emphasize the importance to have goals in order for primes to make contact with them, which is the first step to becoming a sub.
- They have also expressed concerns of City's apparent preference to do business with just one big firm in the area of non-professional services leaving small vendors no room for participation.
- A healthy MBE/WBE program should have opportunities for all who are certified regardless of their trades and sizes.

Recommendations

- All departments should be required to develop a trade summary pertaining to what they buy.
- All solicitations should go through a systematic and automated process with the standard goal calculation formula already written in such as the eCapris.
- City officials from the Purchasing and SMBR departments all have communicated to the minority trade associations that requestors, buyers, and SMBR staff members have no expertise in either identifying the commodity codes or the goods and services being purchased. This is a staffing issue. Training should be mandatory at this point to bring all staff members up to speed.
- In the meantime, all city staff involved should hold joint exercises or job shadow each other to learn how to identify correct commodity codes and MBE/WBE business opportunities and to better understand their respective roles and responsibilities in the MBE/WBE Procurement Program. Focus on collaboration among city staff across departments when setting goals.
- Develop a process to ensure solicitations go through proper gate keeping and scrutiny in each department before it is published.
- The Department of SMBR should automate its operations and digitize its data to reduce human errors. Data will then become easily accessed to compile various reliable reports including a monthly, quarterly, and yearly report to indicate the dollar amounts and the number of solicitations in each of the four categories with and without goals.
- Keep the issue on the agenda until we see results.