

The seal of the City of Austin, featuring a central shield with a cross and wings, surrounded by the text "CITY OF AUSTIN" and "FOUNDED 1839".

# Small & Minority Business Resources Department (SMBR)

Presentation to  
MBE/WBE and Small Business Enterprise Procurement Program Advisory  
Committee

August 4, 2015

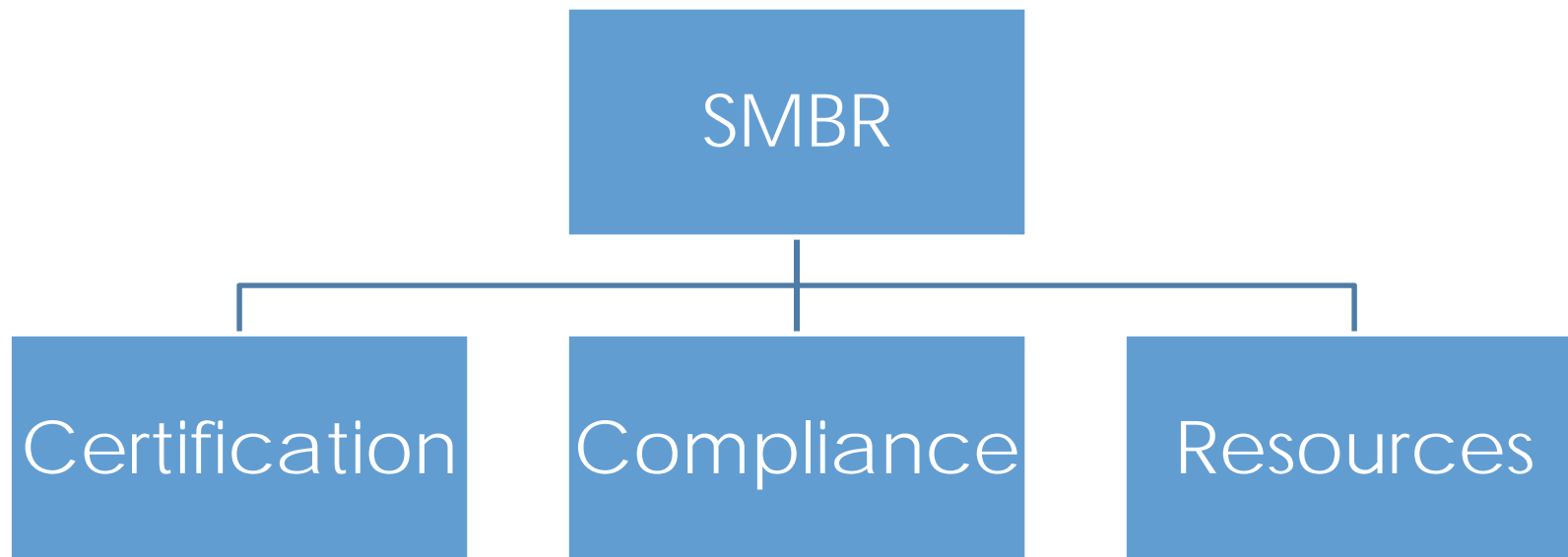
# Mission Statement

The purpose of SMBR is

- to administer the MBE/WBE Procurement Program; and
- provide development opportunities and resources for small businesses so they can have affirmative access to city procurement opportunities and show productive growth.



# Organizational Overview



# What is Certification?

- Determination of a business owner's eligibility to participate in the Minority-Owned and Women-Owned Business Enterprise (MBE/WBE), Disadvantaged Business Enterprise (DBE) or Airport Concession Disadvantaged Business Enterprise (ACDBE) Procurement Programs
- Certification is a designation for eligible business owners that allows their participation to be counted towards meeting the goals on City of Austin projects/procurements.



# Certification Criteria

- Business must be at least fifty-one percent (51%) **OWNED, MANAGED** and **CONTROLLED** by a socially and economically disadvantaged individual
  - Social Disadvantage based upon Presumed Groups:
    - Minority
      - Asian-American
      - African-American
      - Native American
      - Hispanic
    - Women
  - Economic Disadvantage based upon Personal Net Worth



# Certification Division's role

- SMBR's Certification Division verifies that the Minority, Women and/or Disadvantaged Owned Business applicant owns, manages, and controls the day-to-day operations of the for-profit business in compliance with our Code of Ordinances.
- Program eligibility is determined by reviewing the certification application and backup documentation for ownership, management, and control by socially and economically disadvantaged business owners



# Certifications Offered

	Minority-Owned Business Enterprise (MBE)	Woman-Owned Business Enterprise (WBE)	Dual MBE/WBE	Disadvantaged Business Enterprise (DBE)	Airport Concession Disadvantaged Business Enterprise (ACDBE)
Project Funding	City			Federal	
PNW Limit (Economic Disadvantage)	\$1,454,000			\$1,320,000	

- Firms must be small businesses as defined by US Small Business Administration (SBA) guidelines
- Site visits required for all firms.

*Historically Underutilized Business (HUB) is a certification program offered by the State of Texas. The State of Texas may accept City of Austin certified vendors as HUB candidates.*



# Compliance Division's role

Compliance is responsible for program enforcement from project solicitation to completion. Duties include, but are not limited to:

- Setting MBE/WBE participation goals
- Educating constituents and participants on program requirements
- Reviewing & tracking MBE/WBE utilization
- Performing audits
- Determining contractor compliance
- Facilitating Prime/Subcontractor issues





# Program Goals

	Construction	Professional Services	Nonprofessional Services	Commodities
African American	1.7%	1.9%	2.5%	0.3%
Hispanic	9.7%	9.0%	9.9%	2.5%
Asian/ Native American	2.3%	4.9%	1.7%	0.7%
MBE	13.7%	15.8%	14.1%	3.5%
WBE	13.8%	15.8%	15.0%	6.2%



# Goal Development

All solicitations over \$58,000 MUST be reviewed by SMBR. Goal determination based upon:

- MBE/WBE availability
- Estimated Budget
- Scopes of Work or Services

Goal Calculation formula:

$$\frac{\text{No. of Certified Vendors (Per Ethnicity)} \times \% \text{ of Scope}}{\text{Total Vendors}}$$



# Meeting Goals and Good Faith Efforts (GFE)

Proposers/contractors must meet goals or perform Good Faith Efforts, otherwise bid/proposal will not be considered

- **Goals are not a quota**

Goal(s) can only be met by using City of Austin certified firms who are certified for commodities/services identified in solicitation or approved by PM to use during open solicitation period

- Dual certified firms (MWBE) can be counted as either MBE or WBE **but not both**

Post-award program violations may result in a sanction



# Good Faith Efforts Include

- Justification for not meeting MBE/WBE/DBE goals
- Notifying certified firms (fax, e-mail, mail or phone call)
- Negotiating in good faith with interested MBEs and WBEs
- Publishing notice in a local publication
- Seeking services of minority and women organizations
- Contacting SMBR for assistance
- Selecting portions of work that will increase MBE/WBE opportunities
- Assisting MBE/WBE firms with bonding, lines of credit, and insurance



# Solicitations without Goals

If Bidders/Proposers identify subcontracting opportunities on projects without goals, compliance with MBE/WBE Procurement Program is required at all phases of project:

- Good Faith Effort Requirements/Documentation
- SMBR approval of addition/deletion/substitution
- Expenditure Report Submissions
- Contract Close-Out Submission
- Contact SMBR for an availability list



# Resource Division

- Outreach
  - Monthly workshops
  - Collaboration with local small businesses
- Bonding
  - Bonding Financial Consultant on staff to meet with business owners on Bid, Payment, and Performance Bonds
- Plan Room
  - Free access to McGraw Hill Dodge Online database of plans, news, and specifications for construction projects in over 100 Texas counties
  - Paper & electronic construction plans and specifications also available



Service Providers



# Disparity Study

The City of Austin is in the process of conducting a Disparity Study of Minority, Women, and Veteran Owned Business Enterprises.

For more information visit:

[www.austintexas.gov/page/disparitystudy](http://www.austintexas.gov/page/disparitystudy)



# Contacting SMBR

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[www.austintexas.org/smbr](http://www.austintexas.org/smbr)

