



The MBE/WBE and Small Business Enterprise Procurement Program Advisory Committee convened in a regular meeting on Tuesday, March 10, 2020 at City Hall (301 W. 2<sup>nd</sup> Street), in the Executive Session Room #1027 (1st Floor), in Austin Texas at 5:30 pm.

**Board Members in Attendance:**

Eliza May, Barbra Boeta, Schiller Liao, Lena Banks, Daniel Berner, Usha Boddapu, Ahmed Moledina

**1. APPROVAL OF MINUTES**

- a. No minutes to approve

**2. CITIZEN COMMUNICATION: GENERAL**

- a. No Citizen Communications

**3. NEW BUSINESS**

- a. Director's Updates and Announcements with discussion and possible action
  - No announcements
- b. Introduction of Disparity Study Consultant, Colette Holt of Colette Holt and Associates and presentation on the City of Austin Disparity Study with discussion and appropriate action.
  - Colette Holt gives a presentation with her objectives and plans for the 5-year Disparity Study she will conduct.
    - Comply with the law and ensure that the City's program remains legally compliant.
    - Produce the evidence that courts require in order to regular update, review and support the City's program.
    - Wants to provide the City with data needed to comply with the requirements for the FAA, Airport contracts, and defense if the program is ever challenged.
    - Develop accurate and detailed data for contract and annual goal setting.
    - Educate elected officials, staff, stakeholders and others about the issues.
    - Offer a website for outreach and to provide information about the Disparity Study. The City will need to approve.
    - Determine the City's utilization of MBEs and DBEs as a percentage of all dollars, what was reported in dollars (not in number of contracts or contractors).

- Gather from the City the prime contracting records and any missing data.
- Fill in any missing race and gender information and any NAICS codes.
- Determine the geographic market, which is just where the agency spends its money.
- Her firm will provide quantitative, statistical, and numbers piece. There is also an anecdotal or qualitative element to the study.
- Discuss with the community about their experiences in the marketplace, both minority and non-minority women owners.
- Interviews will begin in September and an electronic survey is forthcoming.

**Discussion:**

Committee Member Ahmed Moledina asked if a system similar to B2G to address payment for minority businesses will be established. Tamela Saldaña stated that her and Elton Price are working on implementing this type of system in our current certification and contract monitoring to addresses this issue.

Edward Campos adds that it has been a standard practice for 20 years. Each time we have a contract closeout document or every time we get a sub K, we verify by calling the sub that's listed on that document is to verify that they got paid.

Committee Member Ahmed Moledina wants confirmed that the Asian population is addressed in the Disparity Study. Colette Holt responded that the data will be collected on the Asian population. The data is segregated with African Americans, Hispanics, Native Americans, and possibly White Women.

Committee Member Eliza May asked that when this Disparity Study is done is the intent to prepare for court. Edward Campos responded that we want to have a defensible program. Part of that defensible program is having a disparity study conducted that meets the strict scrutiny requirement. The other is for us to maintain the program, the City must show that there's a disparity that we are attempting to remedy. Colette Holt added that the intent of the program is to provide information to the City Managers, Mayor and Council information about ways to improve the program.

Committee Member Lena Banks asked that Colette Holt stated in her presentation that her firm will “gather the City’s prime contracts”. She asked that “prime contracts” be explained. Colette Holt responded that the prime contracts are the direct contracts that the City has with a vendor as opposed to those that might be subcontractors on the project.

Committee Member Barbara Boeta asked that when Colette Holt and her firm looks at participating certified firms, can their personal net worth prevent them from being certified as an MBE. She asks if the maximum set on personal net worth is something that can be reviewed. Colette Holt responded that she needs to know how SMBR calculates the personal net worth. Edward Campos added that he would provide Colette with that information.

Committee Member Daniel Berner asked Colette Holt if she is ever retained by a city attorney in order to preserve privilege of this type of deliberation (personal wealth). Colette Holt responded that she has been retained by a city attorney. Edward Campos added that we have contracted in the past with private attorneys to provide the program with legal advice.

- c. Presentation regarding process for establishing MBE/WBE goals on City procurements with discussion and possible action.
  - Tamela Saldaña gave an overview of the goal setting methodology.
    - Discussed project specific goal setting.
    - All City solicitations are reviewed for possible project specific goal setting.
    - Some exceptions are solicitations under the City Manager spending authority and any interlocal agreements where the procurement is set forth by that public entity.
    - Must have a basis for the goal that is set on contracts (contract specific goals).
    - Information can be reviewed by the public on the SMBR website to conduct a search of the certification database.
    - In 2016, 92.78% of the bidders met the goals and now in 2020, it is about 96%.

**Discussion:**

Committee Member Barbara Boeta stated that there was a comment made that only certain firms have been used. She asked if the Disparity Study will study all the data that Colette Holt is collecting. Tamela Saldaña responded that it is typically part of utilization data.

**4. OLD BUSINESS**

- a. Tamela Saldaña, SMBR Compliance Officer, reviewed the monthly Council Awards and Request for Change reports. Elton Price, Certification Division Manager, reviewed the Certification Roll report.
- b. Committee content with reports provided to the MBE/WBE and Small Business Enterprise Program Advisory Committee
- c. Edward Campos, Interim Director provided an update on the Disparity Study.

**ADJOURN**

Meeting adjourned at 7:46 pm