



**The MBE/WBE and Small Business Enterprise Procurement Program Advisory Committee convened in a regular meeting on Tuesday October 6, 2020 via videoconference at 5:39 pm.**

**Board Members in Attendance:**

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

**1. APPROVAL OF MINUTES**

The minutes for the regular meeting of September 9, 2020 were considered for approval. The minutes were approved on a motion by Committee Member Schiller Liao and seconded by Committee Member Reginald Worlds. Minutes approved on an 8-0 vote.

**2. NEW BUSINESS**

For discussion and possible action on recommendations to City Council (City Code § 2-1-163(B)) regarding the following:

- a. Director's Updates and Announcements with discussion and possible action:**
  - Edward Campos, Interim Director provides update.
  - SMBR will be holding our annual Contractor and Consultant Appreciation Day in November virtually. The Committee should be receiving a save-the-date soon.
- b. Discussion and appropriate action regarding the 2016 Mobility Bond and Corridor Improvements Program:**
  - Error on the agenda so any discussion on the 2016 Mobility Bond and Corridor Improvements will be moved to the November meeting.

**3. OLD BUSINESS**

For discussion and possible action on recommendations to City Council (City Code § 2-1-163(B)) regarding the following:

- a. Item withdrawn due to numbering error**

**4. OLD BUSINESS**

For discussion and possible action on recommendations to City Council (City Code § 2-1-163(B)) regarding the following:

- a. Update from SMBR regarding the Good Faith Effort Pilot Program**

- Edward Campos, Interim Director provides update on the GFE Pilot Program.
- The meeting minutes reflect that an overview of the GFE pilot program was completed and that the outcome of the test pilot program was successful. SMBR will be moving forward with the invitation for Bid projects out of the Corridor Program Office.
- Discussed the four projects that were included in the pilot program and the MBE/WBE participation.
- The MBE/WBE participation to date information on the four projects which included the pilot project topic will be brought before the Committee on a quarterly basis. The reason is that due to the number of projects, only those four projects can be monitored on a quarterly basis. Additional or more frequent discussions about to this particular program can be provided at the Committee's request. Specifically related to step one in the good faith effort process.

**Discussion:**

- Committee Member Schiller Liao asks Committee Member, Eliza May if a quarterly report would suffice?
- Committee Member Eliza May responds that she accepts a quarterly report.
- Committee Member Eliza May asks if Edward Campos, Interim Director how did the program come about?
- Edward Campos, Interim Director responds that the GFE Pilot Program came from the 2016 Mobility Bond MBE/WBE outreach program. Common concerns from the Prime and Subcontractor communities were regarding the good faith effort requirements. Primary concern was related to step one of the seven step good faith effort process. Step one of the process is for the Primes to solicit MBEs/WBEs that are on the availability list for a project by two verifiable mean. A possible solution that was considered and eventually adopted was for SMBR take on step one of the process to relieve the Primes of what has been identified as an administrative burden.
- Part of the pilot project was for us to identify three to five projects and release that pilot program. Under those four projects we released four projects with a pilot program.
- SMBR is going to implement the GFE pilot program for the Corridor program. We have a Corridor program run through the Corridor Program Office for the nine corridors identified in the 2016 Mobility Bond.
- SMBR will be working closely with the Corridor Program Office to implement that new process where SMBR will undertake step one of the notification process. For projects that are being released through the Capital Contracting Office as invitation for bid projects, there will be a variety of projects being released (RFPs, CSPs, possibly a construction manager at risk). We are still finalizing all the details.
- Will apply the program for the invitation for bid projects because it is the most common procurement in terms of everyday procurement with the City as it relates to capital projects. This is not for all projects related to the 2016 Mobility Bond, just for the Corridor program (nine corridors) in which Mike Trimble, as the Director will be leading those efforts.

**Discussion:**

- Committee Member Eliza May asks if the mobility projects have been delayed or are on track?
- Edward Campos, Interim Director responds that they are on track. We had a contract with the voters that we needed to get the entire program completed in eight years. We are in the majority of those projects next few years. Mr. Trimble and his team will be here next month to present on these matters.

**b. Update on Council Resolution on Inclusive Procurement Working Group with discussion and appropriate action**

- Edward Campos, Interim Director provides update on the Inclusive Procurement Working Group.
- Presented to the Advisory Committee last month about the Inclusive Procurement Working Group Resolution that Council passed in March. Reginald Worlds was identified as the point of contact to represent the Advisory Committee as part of this working group.
- Will provide an update on a monthly basis to ensure that the Committee is aware and well-versed on our activities related to not only the Disparity Study, but also this particular working group.

**Discussion:**

- Committee Member Schiller Liao asks Edward Campos, Interim Director if the limit on the persons in the working group is twenty?
- Edward Campos, Interim Director responds that the intent is to limit the working group to approximately twenty individuals representing the MBE/WBE stakeholder group and community.
- Committee Member Schiller Liao asks Edward Campos, Interim Director how were the twenty people selected?
- Edward Campos, Interim Director responds that we look at stakeholders in which SMBR has a traditional working relationship. For example, the minority chambers of commerce, the Minority Trade Alliance members, others that are part of the MBE/WBE outreach plan, members of the Associated General Contractors (AGC), the Texas branch civil and building branch, and those in the community that have expressed an interest in the SMBR programs. These are the individuals that we will propose to the City Council. Council can either request to increase and/or look at other individuals.
- The memo that we will be releasing by the end of the month will be the list of these proposed individuals for this working group.

**c. Update on the Disparity Study with discussion and appropriate action.**

- Tamela Saldaña, SMBR Compliance Officer provides update. She is the project manager overseeing the day-to-day activities for the Disparity Study.
- Moved forward with scheduling of the qualitative data to include various focus groups. Continuing those focus group's efforts through October, and November and December with various stakeholder groups.

- Completed the submission of the qualitative data to include the contract and data for both the Primes and Subcontractors. Now we are in the process of data validation.

**Discussion:**

- Edward Campos, Interim Director adds that majority of the work is happening behind the scenes with looking at that contracting data. The consultant is looking at the contract data. We will hold the different working groups in anticipation of a draft document in the summer, then SMBR will move forward with presenting to Council late next summer.
  - This item will be a standing item on the agenda, so any questions from the committee or the community can be addressed in a formal setting.
  - Committee Member Eliza May asks if this Advisory Committee will have an opportunity to comment on any recommendations before going to Council?
  - Edward Campos, Interim Director confirms that this Advisory Committee will have an opportunity for input before recommendations go to Council. It is one of the reasons that Reginald Worlds, Vice-Chair of the MBE/WBE Advisory Committee was selected to the working group. This working group will be looking at recommendations from the Disparity Study along with any recommendations that the community may have as to new initiatives and new programs that they feel SMBR should undertake. He further states that SMBR is in the process of working out the details about how this task will be accomplished.
  - Edward Campos, Interim Director states that the timelines are a very aggressive schedule. It will be a tough six to seven months to get a new ordinance adopted. He is confident because there are a lot of committed individuals around the community (including the Committee members) that really care about the program care and the department.
  - Committee Member Eliza May comments this item becomes part of the Committee briefings. It is the opportunity to comment. She wants to confirm that the Committee has an opportunity to do so because this agenda item is critically important. This is why the Committee exists as a body and we want to ensure the best of the recommendations for these programs because these are going to be the ones that are going to end up representing the next five-year period six-year period.
- d. Monthly update on the 1) Council Awards; 2) Third-Party Project; 3) Request for Change (RFC) reports; and 4) Certification Roll.**
- Tamela Saldaña, SMBR Compliance Officer reviewed the Council Awards report.
    - The four solicitations listed on the August 2020 report were presented to Council this month. All four solicitations met the established goals.

**Discussion:**

- Committee Member Eliza May asked that the documents be shared via WebEx if possible, going forward even though the Committee received them via email.
- Tamela Saldaña, SMBR Compliance Officer reviewed the Third-Party Project report.
    - This report has not changed much from last month's report in terms of any updated details. SMBR still has some active party projects.

**Discussion:**

- Committee Member Eliza May asked that the documents be shared via WebEx if possible, going forward even though the Committee received them via email.
- Committee Member Barbra Boeta asked with COVID, how is SMBR managing projects to help them make sure they reach their goals? I know that especially the Hispanic Chamber early on was pushing participation for the soccer team and that's the soccer stadium. She asks what is going on in terms of outreach there so that they achieve and exceed their participation goals?
- Tamela Saldaña, SMBR Compliance Officer responds that pre-COVID, around the first week in March, they did have an outreach for the soccer stadium that they solicited MBE/WBE participation. Cloteal Haynes is with Haynes-Eaglin-Waters is the MBE/WBE outreach person contact for that project. The event had a good turnout. There may have had one or two requests for change that was associated with inability for an MBE/WBE to mobilize due to COVID, but we do not know for sure. Projects seem to be moving with little to no interruptions to construction. No issues in regards to the MBE/WBEs not mobilizing and it impacting their goals.
- Committee Member Barbra Boeta concerned that the contractor for the soccer stadium with the \$48 million contract amount has already expensed close to half that amount. The contractor has no African American, no Hispanic, and no Asian participation and there's only 2.5% WBE. Is SMBR reassured that they are going to meet their goals?
- Edward Campos, Interim Director responds that SMBR wants to see the maximum participation possible for every one of the goal categories set. We depend on our good faith efforts. The SMBR Compliance team monitor and address any issues regarding the good faith effort process. We make sure firms have done their due diligence, making sure that if contractors tried to participate and were unable to do so, we want to know the reason. If the program is applied to these projects and to these particular packages, they would apply similar to how we would do it for any City project. We review them on a on a case by case basis based on the packages that come out.
- Tamela Saldaña, SMBR Compliance Officer responds that we could invite Jolene Cochran (SMBR Compliance) and Cloteal Haynes (Haynes-Eaglin-Waters) to the next Advisory Committee meeting to speak about their efforts (possibly an overview presentation regarding the soccer stadium). They have completed an extensive amount of outreach. They also keep the good faith effort documentation of all the firms that they have contacted on numerous occasions, document any lack of responses from subcontracts. Cloteal Haynes has communicated with Jolene Cochran seeking additional availability lists, etc.
- Committee Member Barbra Boeta responds that it is important. She wants to make sure the community knows that amid COVID that opportunities still exist, and that construction is still going.
- Edward Campos, Interim Director responds that SMBR is planning to have Cloteal Haynes at the November meeting for the normal yearly update that we give on the MBE/WBE Outreach Plan that we developed. We will ask her to present on both the soccer stadium and the outreach plan.

- Committee Member Schiller Liao comments that when reviewing the overall list, Asian and Native Americans category is a very low percentage goal to be met.
- Edward Campos, Interim Director responds that SMBR understands the concern about the lack of participation at various levels. We will review and see if we can have a discussion with Cloteal Haynes as to what efforts the contractor made to get some additional participation.
- Tamela Saldaña, SMBR Compliance Officer reviewed the Request for Change report.
  - For August 2020, there are 57 total RFCs to include 25 additions, 2 substitutions. Thirteen RFCs were regarding a certified firm to include 5 increases and 6 decreases. There were no violations.

**Discussion:**

- Committee Member Barbra Boeta asks for explanation on the approximately \$500,000 listed on line 33 of the report. It seems there was a substitute where the City got it cheaper and a certified firm was deleted.
- Tamela Saldaña, SMBR Compliance Officer responded that she will respond to Barbra shortly once she obtains her manual backup.
  - Later in the meeting Tamela Saldaña, responded that after reviewing the backup, it was determined that the subcontractor requested to be removed. The sub no longer wanted to honor the original bid that they gave them on a compliance plan.
- Elton Price, Certification Division Manager reviewed the Certification Roll report.
  - Report shows the number of certified firms by certification type for CY 2019 compared to CY 2020. Slight increase in each type except the DDBE/ACDBE, where there was a decrease of one in CY 2020. Added to the report is the SBE certification type for CY 2020 (did not have in CY 2019). The number of certification types has increased greatly due to the ease of the online certification process.
  - The certified firms based on ethnicity is provided each month. This report is also a comparison of CY 2019 and CY 2020. In our next meeting, we will provide the monthly totals.
  - And so, of course, we will go back each, once we come back in our next meeting, we will have each will have the monthly totals. Hopefully next year the number of certified firms will increase.
  - Most apply for certification online but DBE regulations does not give SMBR the latitude to have everyone apply online, paper documents are still received based on the DBE regulations. Firms do not have to apply on any online database for the federal program.

**Discussion:**

- Edward Campos, Interim Director asks Elton Price for his opinion if online has made applying for certification easier.
- Elton Price, Certification Division Manager responds that the online portal makes the process easier to submit documents. SMBR is seeing a greater turn around when we request additional information. The process that may take a bit longer to get used to is first time users logging in and getting set up with the new order with CCS.

- Committee Member Daniel Berner points out an error in reporting the MBE for CY2019 on both the Certified Firms by Type and Certified Firms by Ethnicity.
- Committee Member Daniel Berner asks how are the goals in terms of certifications for calendar year 2020?
- Elton Price, Certification Division Manager responds that the goals are to increase the number of certified firms by 100 each year contingent upon all those who are certified continue to be certified in the program.
- Committee Member Daniel Berner asks if it makes sense that the goal be a percentage increase which matches the increase of the city population?
- Edward Campos, Interim Director responds that when reviewing performance measures, whether it's for certification or for compliance, \we look at how many firms we get in on a normal basis? How many firms do we certify? 2020 is the first year using the online portal. We see a significant increase in applications, then we may increase that amount next fiscal year for that performance measure. It is not based on the population. One of the reasons is that this is one of the discrepancies that we have with the Disparity Study data. For example, if there are 15,000 Hispanic owned firms in the City of Austin. Not every 15,000 of those businesses want to be certified with the City of Austin. Some firms rather receive certification through other programs. We established 100 new firms as the performance measure goal for each fiscal year.
- Committee Member Daniel Berner asks if the number of firms that SMBR certifies is based on the staff available to certify these firms?
- Edward Campos, Interim Director responds that we have the appropriate amount of resources for certification. Applicants have struggled with the paper application process previously. But in February or March of 2021, we should be able to provide that information to reflect the number of applications received through the online portal versus the paper process that we had.
- Committee Member Daniel Berner asks if in terms of the goal, whether a goal that tracks growth as opposed to an absolute number goal?
- Edward Campos, Interim Director responds that Disparity Study may assist in providing direction for this data point in terms of the number of vendors. It is going to play a role in what those performance measures and what those thresholds are; do they remain the same? Do they increase? It is a question that still needs to be addressed.
- Committee Member Lena asks why firms are leaving? She has heard complaints that firms are leaving because they are not getting any business. Can retention rates be tracked for existing firms? Are specific types of firms leaving? Expresses that the data would be helpful to keeping firms engaged in onboarding and recruiting new firms. Determine where there are gaps and focus on that audience.
- Edward Campos, Interim Director responds that Patrick Quick our Business Process Consultant is currently in the process of working with Elton and the Certification team on the development of a survey. We wanted to know why firms didn't want to be certified anymore. We looked at how we can improve that. getting these opportunities, or you're not breaking up contracts that we feel are beneficial to us? What can we do? We needed to know t specifically are these firms

saying. And we hope to use that survey as a tool to get us that data? Because you're exactly right. That's the only way we're going to know and the only way we're going to improve.

- Committee Member Usha Boddapu responds that the point of the certifications and the SMBR department is to give opportunities to City certified professionals. The goal should be based upon how many certified firms have been successful in securing business opportunities with the City. Where are the success stories of at least one business that secured a new opportunity in the different categories (e.g. construction and non-construction)? She has heard of the success stories with construction but what about non-construction? She has spent hours researching on what is happening with non-construction projects. She has shared her research findings with the Disparity Study group. Need research from the last 1-3 years. Who are the certified firms in those different non-construction, NAICS codes, and commodity codes? How much business did the firms receive? We need to determine where the problems lie. Maybe the firms do not understand, did they try business development or is it because they need to win the DIR corporate contract to win it?
- Edward Campos, Interim Director responds that there have been very preliminary discussions about these issues.

## **5. FUTURE AGENDA ITEMS**

- a. Discussed items to add to the November agenda.

## **ADJOURN**

Meeting adjourned at 6:50pm