

City of Austin
Small and Minority Business Resources

CIP Academy

SMBR M/WBE Procurement Program Overview

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Sandra Davis, Business Development Supervisor



SMALL AND MINORITY
BUSINESS RESOURCES



Objectives



Provide a general overview of SMBR



Provide an overview of MBE/WBE goal setting process



Pre-Award & Post-Award Contract Monitoring



Program Violations



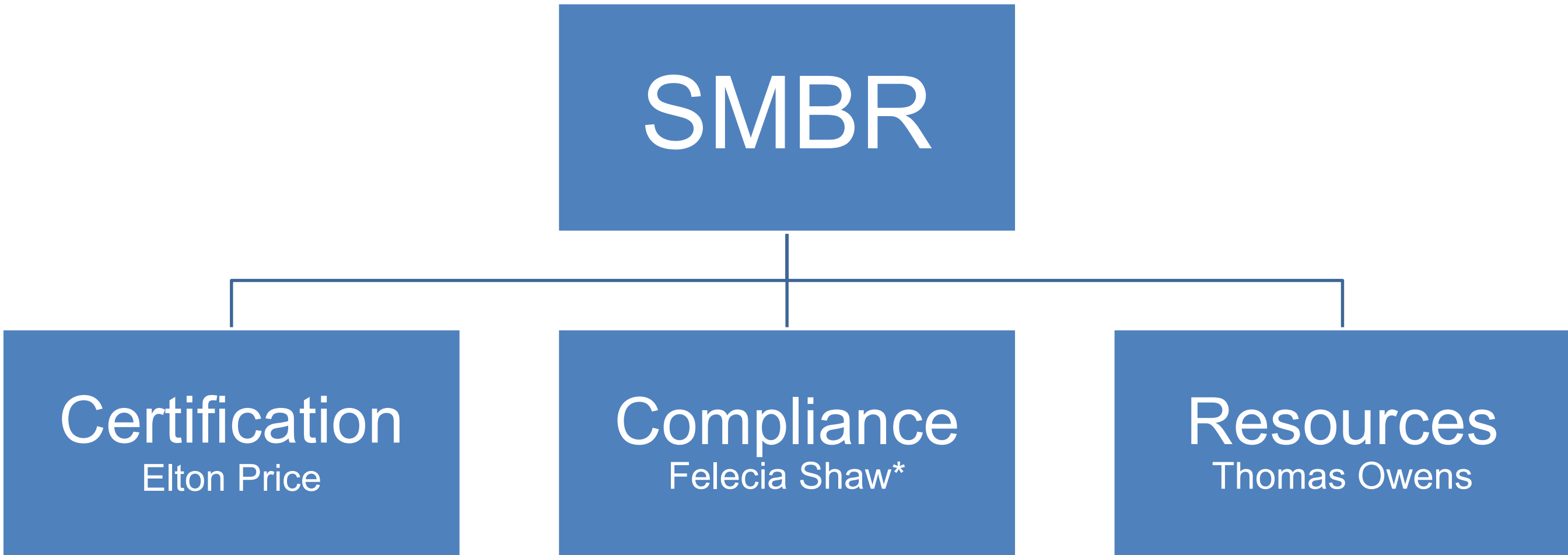
Tips for Compliance Success



Q&A



SMBR Divisions





Small and Minority Business Resources Overview

-
- Administers the MBE/WBE, DBE and ACDBE Programs by:
 - Certifying businesses that meet eligibility criteria
 - Monitoring utilization of certified firms on City contracts
 - Providing resources
 - Workshops/Training
 - Webinars
 - Meeting with local minority and women service trade organizations
 - Educating Internal/External Stakeholders on program requirements (Pre-Award and Post-award)

Certification Overview

SMBR certifies qualified firms as Minority-Owned Business Enterprises (MBE), Women-Owned Business Enterprises (WBE), Disadvantaged Business Enterprises (DBE), Airport Concession Disadvantaged Business Enterprise (ACDBE), and Small Business Enterprises (SBE). Historically Underutilized Business (HUB) is a certification program offered by the State of Texas. The State of Texas accepts City of Austin certified vendors as candidates for HUB certification for qualified applicants.

CERTIFICATION TYPE	CERTIFICATION	PROJECTS/FUNDING SOURCE	APPLICANT MAX PNW	SITE VISIT
Minority-Owned Business Enterprise (MBE)	COA Certifies	City of Austin Projects and Funding	\$1,828,000	COA Discretion
Women-Owned Business Enterprise (WBE)	COA Certifies	City of Austin Projects and Funding	\$1,828,000	COA Discretion
Dual Certification – (M/WBE)	COA Certifies	City of Austin Projects and Funding	\$1,828,000	COA Discretion
Disadvantaged Business Enterprise (DBE) Airport Concession DBE (ACDBE)	COA Certifies	City of Austin Projects and Funding	\$1,320,000	Federal Requirement



COA Goal Setting Overview

§ 2-9(A-D)-19 Establishes Contract Specific Goals

- SMBR reviews solicitations from the Purchasing Office for procurements with a value of \$50K and greater that are competitively bid.
- Exceptions:
 - Interlocal Agreements
 - Sole Source Procurements
 - Cooperative Agreements
 - Solicitations exempted from M/WBE Program
(SMBR M/WBE Rules Section 1.2)



Pre-Award: Setting Goals Overview

City Project Manager – Works with Sponsor to define SOW and develops Trade Summary.

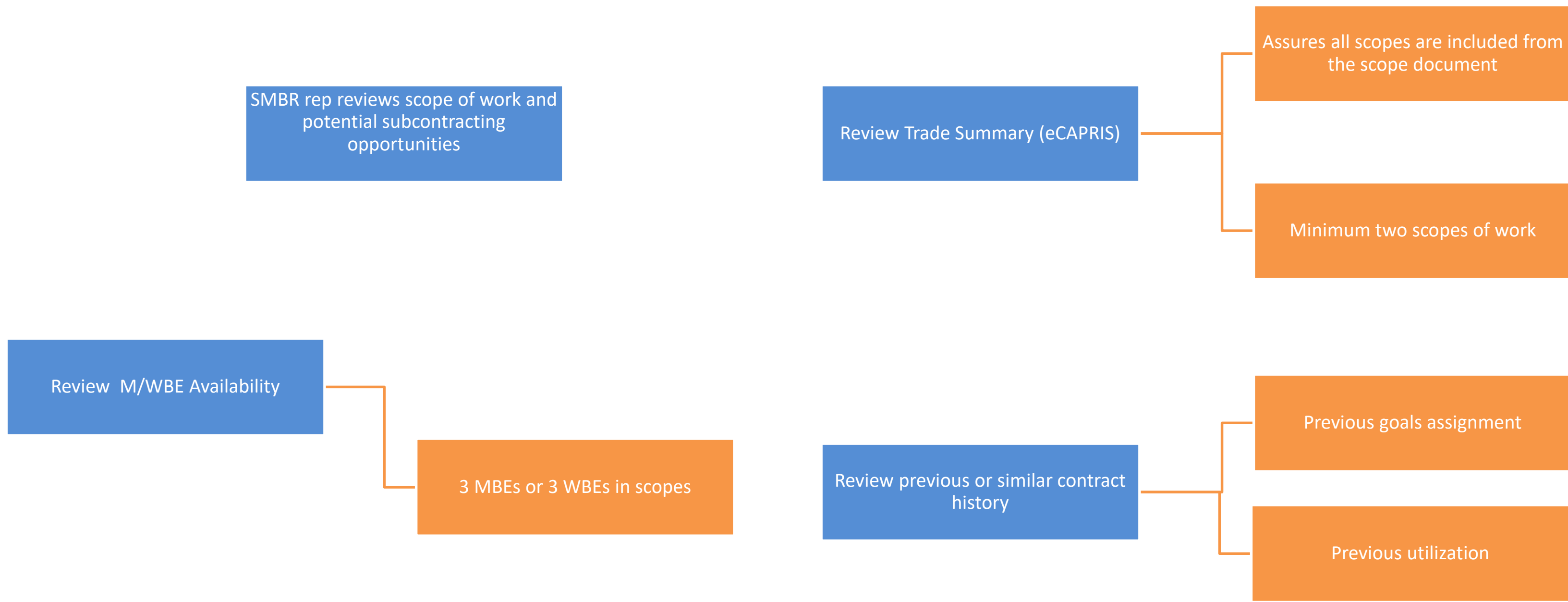
Trade Summary Sheet identifies scopes of work and commodity codes
Scope percentages reflect the anticipated amounts of materials/supplies and services.

SMBR reviews project details including the estimate, trade summary, and MBE/WBE availability to establish goals.

Each solicitation has a Compliance Plan with a subcontractor vendor list (“availability list”) of certified MBE/WBEs. The availability list is based on the trade summary.



SMBR Solicitation Review





Goal Assignment

Ethnic Specific Goal

- African American
- Hispanic
- Native/Asian American
- Women

Aggregate Goals

- MBE & WBE Goal
Combines African American, Hispanic, & Native/Asian American percentages; separate goal for Women
- Combined MBE/WBE
All groups combined.



Compliance Determination

City Code 2-9(A-D)-21(E)

- Firms are compliant by:
 - Either meeting the goals as established in the solicitation
 - OR;**
 - Demonstrating Good Faith Efforts for any ethnic category where goals are not met (GFE).



Minimum Requirements to Achieve Good Faith Efforts (GFE)

-
- Notify Certified Firms via fax, e-mail, mail or phone at least 7 business days prior to submission of bid/proposal
 - Follow up with interested MBE/WBE firms
 - Negotiate in good faith with interested MBEs and WBEs
 - Select portions of work that will increase MBE/WBE opportunities
 - Publish notice in a local publication (i.e., newspaper, trade association publication, or social/electronic media)
 - Seek services of trade associations and other minority and women community organizations
 - Contact SMBR for assistance



Additional Good Faith Efforts (GFE) Considerations

-
- Assisting certified firms in securing bonds/insurance/lines of credit
 - Identifying additional elements of work
 - Assisting certified firms in obtaining necessary equipment, supplies, materials, or related assistance or services
 - Efforts made to reach agreements with certified firms who responded to Bidder's written notice

Compliance Facts

- ✓ **Goals are not a quota**
 - Proposers/contractors must either meet goals or perform Good Faith Efforts
 - If neither is achieved, the bid/proposal will not be considered
- ✓ The M/WBE goal can only be met by using City of Austin certified MBE/WBE firms for commodities/services listed in the solicitation.
- ✓ Dually certified firms can be counted as either MBE or WBE ***but not both***



No Goal Solicitations

-
- No Goals may be determined on a contract due to:
 - insufficient or no “certified firm” availability or
 - insufficient or no subcontracting opportunities on a contract.
 - If a Bidder/Proposer anticipates utilizing subs that are non-certified, they must perform Good Faith Efforts
 - In addition to "No Goals," some contracts are exempt from SMBR review by state and local law (i.e., certain sole source contracts, health and safety contracts, legal services contracts, emergency contracts, etc.)

Ref: Local Government Code 252.022 for a complete list of exemptions



Post-Award Compliance Activities

Following Council award, SMBR will engage with the Project Team in the following areas:

- **Pre-Construction & Kick-Off Meetings**
 - SMBR representative discusses MBE/WBE Program requirements
- **Subcontractor Expenditure Reporting (CCS)**
 - Prime Contractor/Prime Consultant submission of sub expenditure reports electronically in the Certification & Compliance System (CCS)
- **Request for Change of Compliance Plan (RFC)**
 - Required for any changes to Compliance Plans (Addition, Substitution, Deletion & Contract Changes +/-)
- **M/WBE Close-Out Report**
 - As part of contract close-out process, confirmation that all subs have been utilized, accuracy of Original Contract amounts, Contract Change amounts, Payment amounts and Retainage (if applicable).



Program Violations

-
- Prime self-performance of scope intended for subs
 - Utilization of subcontractors without SMBR approval
 - Using non-certified subcontractors on No Goal Projects without performing GFE
 - Failing to meet contractual goals or subgoals at contract close-out without justification



Program Violation Impacts

The Consultants/Contractors

- Bidding on future City Projects
- Performance Evaluation Scores
(Consultant and Contractor Performance Evaluation Program)

City Staff Performance Measures

- SMBR tracks this measure of performance and routinely reports to Boards & Commissions and other stakeholders

SMBR Vendor Resources

The Resource Services division provides information and assistance to the minority and women owned business community and facilitates outreach and departmental communications regarding services, key initiatives, special notices; and hosting workshops on topics of interest to the certified firm community.

Outreach

- Workshops and Trainings
- Collaboration with City Departments
- Supporting key initiatives and community events

Education

- Govology
- Opportunity Stations
- McGraw/Hill Library
- Partnership with UT Austin and Economic Development Department

Communication

- Quarterly Newsletter
- News Releases and Emails
- Annual Satisfaction Survey
- Phone Calls

MBE/WBE Program Tips for Success

- On solicitations where goals have been established, remember:
 - Bidders/Proposers must either meet goals or perform Good Faith Efforts
 - If neither is achieved, the bid/proposal will not be considered
- MBE/WBE firms must be certified by the City of Austin in the scope of work at the time of bid/offer to count toward meeting the goal.
- Dually certified firms can only count toward meeting a specific ethnic goal/MBE or WBE goal, but not **both**
- Changes made to subs on the compliance plan without SMBR prior approval is a violation of the MBE/WBE Procurement Program.
 - Post-award program violations may result in a sanction
- Always reach out to SMBR for any program related or process questions (i.e. confirming vendor certification status, Availability Lists, Request for Change Process)

Contact Information

Sandra Davis, Business Development Supervisor

Small & Minority Business Resources

Sandra.Davis@austintexas.gov

(512) 974-7256

Felecia Shaw, Acting Assistant Director

Small & Minority Business Resources

Felecia.Shaw@austintexas.gov

(512) 974-6017

For general program and compliance questions –

SMBRComplianceDocuments@austintexas.gov



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Questions



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