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ACA Newsletter

Asian Contractor Association
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 Austin, TX 78721
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City Council Passes M/WBE Ordinances as an Emergency Measure

Austin— In a last minute effort, Austin City Council approved an extension of the city’s minority- and women-owned enterprise procurement program for another year as an emergency measure just four days before the city ordinances that govern the program expire. In a move that requires at least seven votes, the council passed Item 47 unanimously from eight council members with Council members Casar, Troxclair, and Renteria off the dais.

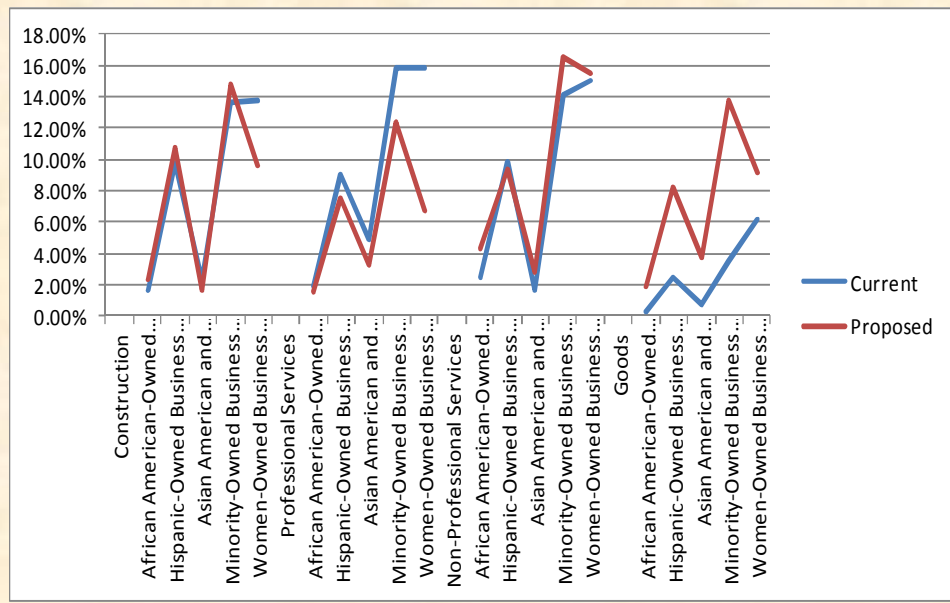
The city program, aimed to grow minority and women-owned businesses by participating in city projects, has a sunset clause which ends at the end of every year. Council had previously extended the December 31st, 2016 sunset date to March 31st of this year to allow the city time to address concerns from the community regarding proposed changes to the participation goals as a result of a recent Disparity Study. The study is commissioned every 5 to 7 years by the city to provide legal basis for the program. The timely vote successfully prevented the 30-decade old program from being shut down until Council decides again to officially

adopt the ordinance changes by the end of March of 2018.

The latest Disparity Study, conducted by the prime consultant, NERA, has found evidence to adjust current participation goals based on the data collected over a two-year period. The proposed changes to reduce some goals have generated inquiries from minority- and women-owned firms providing professional services to the city. Their category has seen a reduction in goals across the board. In others, the goals in Construction have been adjusted downwards for Asian/Native American and Women but upwards for African American and Hispanic, while all goals in the categories of Non-Professional Services and Goods have been increased except for a 0.5% reduction for Hispanic in Non-Professional Services.

As directed by Council, between December of 2016 and February 2017, the city and NERA have met with a number of architectural and engineering firms to provide information related to the availability and utilization findings in the study to generate the new goals, according a

memo from SMBR Director Veronica Briseño to Council. The future steps as the director lays out in the same memo will include 1) working with NERA to verify numbers found in the study, 2) engaging an independent consultant to review the revised disparity information provided by MERA, 3) presenting the findings to the stakeholder communities through outreach events once the verification process is completed, and 4) presenting the updated disparity study and ordinance amendments for Council consideration in February/ March 2018.



Minority participation goals compared by category and subgroup between current and proposed percentages.

New Rules for City Job Order Contracts by Best Value

Austin— On March 2nd in its regular council meeting, Austin City Council approved to authorize the use of the competitive sealed proposal procurement method for solicitation of a job order contract for facility maintenance, repair, alteration, renovation, remediation, or minor construction.

Competitive Sealed Proposal (CSP) is one of the alternative delivery methods the city uses to hire contractors for the “best value” rather than the “lowest price.” Low bid is normally the standard process for construction projects or for commodity purchases by the City of Austin; however the city may elect to choose other ways to secure contracts based on evaluation criteria such as price, experience, reputation, safety record, key personnel experience, financial capability, and other relevant factors, not just price alone as in the competitive sealed bidding process, according to a memo to Council from the Capital Contracting Office (CCO). In a CSP, the design work is completed by an architect/engineer secured through a Qualifications-Based Selection process to ensure independence. Separately, the city issues a CSP solicitation to hire a contractor to perform a specific scope of work. CSP is a good methodology to use when work requires specific expertise and/or specific or specialized technical experience.

Contractors propose on 100% completed construction documents. MBE/WBE goals are established and compliance with the MBE/WBE Procurement Program is required through meeting the goals and documenting Good Faith Efforts. A diverse City-staffed evaluation panel, comprised of technical experts, reviews, scores, and ranks proposals against criteria established and published with the solicitation. Council’s authorization

is requested to negotiate and execute an agreement with the highest ranked proposer.

The CCO is recommending hiring three to four contractors with up to \$1.2 million per year for a total of 120 assignments for five years with approximately \$200,000 per assignment. The CCO estimates 12.5% economic growth in the next five years and projecting approximately \$2.7 million in expenditures on JOC contracts.

The 2017 Job Order Contract for City Facility Improvements has been issued with 0.61% subcontracting goal set for Native/Asian American group, 1.57% for African American, 2.57% for Hispanic, and 0.68% for Women.

Approximately three dozen vendors, mainly prime contractors, attended the pre-proposal/training meeting Monday on April 10th. Among them are Jamail & Smith, Hensel Phelps, Vaughn Construction, and Warden.

General Contractor Evaluation Criteria

Item	Point	Item	Point
MBE/WBE Goals Procurement Program	0 points Y/N	General Contractor Comparable Experience	40 points max
Offeror’s Financial Capability	0 points Y/N	Organizational Structure and Business	40 points max
Safety Record	0 points Y/N	Quality of Goods and Services by	10 points max
Acceptable Documentation	0 points Y/N	Sample Project	30 points max
Price	40 points max		



Vendors are briefed on the new evaluation criteria.



Ray Yan (left) and Xi Lu represent General Contractor Hsu Equity at the mandatory meeting.

Keep Track of Your Payments on Vendor Connection

Austin Finance Online

City of Austin - Financial Services

City of Austin began an effort starting in 1998 to make government financial and procurement information into the public space creating what we have today the Austin Finance Online. The website not only publishes current government expenditures but also where it is spent on and who the payees are. Vendor Connection (VC) is a great tool for city vendors once they set an account with the city to update their contact information, register for additional commodity codes, pull reports, and find out where their payment is.

VC is also a very useful avenue for contractors including consultants or subcontractors awarded for a specific contract to keep track of the progress and contract change. Contractors are encouraged to take advantage of the system the city has created to make government spending a transparent process.

Below are some of the key functions vendors can use to access contract-related information.

1. **Subscribed Solicitations**—As a registered vendor, you may subscribe to solicitations, download solicitation attachments, and add/update commodities for notification. You are also eligible to be awarded a contract.

2. **Account Maintenance**—Once you are signed in to your account, you can easily access elements of information and provide update. Important to note that no one but the account holder can update account information, so to make any changes, simply log onto your VC account to update information such as your address or email information, add or delete commodity codes, or your account summary.

3. **Reports**—Once you are signed in to your account, you may view a number of reports that provide information about your firm's commercial relationship with the city, such as payments, awards (individual orders), master agreements, subcontractor payments, and M/WBE participation compliance plan.

4. **Payments**—You can also view all the payments the city has made directly to your firm.

5. **Awards (Orders)**—You can view city's awards (individual orders) to your firm.

6. **Master Agreements**—You can view any master agreements between your firm and the city.

7. **Sub-Contractor (Sub-Consultant) Payments**—You can view the information reported to the city by the prime contractors (consultants) about your payments as a sub for each project you participate in.

8. **Compliance Plan**—You can view the compliance (subcontracting) plans that your firm is listed on to keep track of your award amounts. Vendor Connection however does not update any changes to the compliance plan by the prime contractors/consultants such as adding new subs and replacing or removing current ones on an existing contract. Please contact SMBR for the Request for Change information at 512-974-7600.



(The article is part of an interview written by Cecilia Barella in Feb 2017)

Ivy has a BA in Public Relations and Political Science from the University of Georgia and an MBA from the Red McCombs School of Business in Austin, Texas. She worked in Public Relations for almost 6 years where she worked with large B2B and B2C businesses in corporate reputation as well as with Government and lobbyists on Political Policy development and advocacy. Prior to founding her own Venture, she worked as a marketing director for a Tech Startup, Evirx, where she saw the company go bust. She is the daughter of Vietnamese immigrants, a published writer and poet.

The company was founded on January 3rd of 2012 and was named 9Terrains. It soft launched for 6 months until Ivy could ensure that tech issues were addressed and she would be fully operational to handle larger volumes of inquiries. It launched officially in the summer of 2012 and has been in business since then. 9Terrains is a Social Media strategy agency that specializes in issue advocacy and works mostly with government agencies in promoting bi-partisan issues at the local level. To be able to handle campaigns from end to end, 9Terrains also handles Brand Design, Print Services and develops Websites.

During the creation and launch process of her venture she was helped by several people. Her dad got her some cheap printing equipment to get her started, she discovered encouraging mentors at her SCORE classes (a nonprofit where retired entrepreneurs help and mentor young ones). The timing of the subsequent events worked out perfectly; her parents gave her \$4,000 to start the business, her husband got a steady paying job and she was approached by a bigger client, who happened to be an old friend from middle school, and who trusted her with her first larger scale project for the Texas Coalition for Disabilities. The campaign put 9Terrains on the map; it won an award, got a lot of publicity and helped cement 9Terrains' niche in government, policy and advocacy work. Ivy's desires in creating her venture had been twofold, one was to make an impact and inject wealth in underserved communities in America, the other was to work hard for issues that she truly believed in with people that shared her values.

Ivy believes that a few factors contributed to the business' success. From a financial perspective, she kept expenses to a minimum, hired contractors and

freelancers so she only had to pay for work that was done, and took take personal loans at very little interest. From a business need perspective, she quickly differentiated herself in the crowded world of social media consultants; a lot of them know how to create fluffy campaigns but only few know how to dissect complex issues and translate them to an attainable level for the local community. She finally got the right team; a cerebral seasoned group who work well remotely and don't feel intimidated to wear multiple hats and do what it takes to deliver. Finally, her own track record of being honest, doing good work and being reliable at all her previous jobs contributed to her reputation and credibility. Her business started through referrals and with old clients and colleagues contacting her for projects. Had she had different standards or not performed before, she wouldn't have had the network, contacts and contracts that she has now.

Ivy thinks you must behave, act and train yourself to think that you are going to succeed, otherwise you won't really give yourself the chance to. Another advice was to be selective with whose advice you take and who you listen to. People will give you unwanted advice and recommendations all the time, but no one has the full picture or is going through the exact motions. Eventually you will find a pool of trusted advisors, it will be a small pool but it will be a pool that you can trust and rely on. Additionally, she talked a lot about teams and business partners and recommended to be careful about who you would want to bring onboard. Lastly, she said you will hear "give it three years to start being profitable", however take it with a grain of salt and know your business. She had to dial back her business a few times after giving birth and during her MBA program, every time she did take a step back her business took a hit. So, it was a very slow growth process and if she had 'given it three years' she would have given up. Now that she has graduated and her son is at day care, she can focus on her business full time and see the direct impact from it. She has now the best pipeline she has ever had, and every contract is the 'biggest contract' yet. She is getting contacts outside of Texas from people that have seen and admire her work. On the three years mark she had had the worst revenue quarter yet and was struggling keeping the family and MBA on track. She is thankful she pulled through and focused. Focus changed everything, she said.

City of Austin News Highlights

CITY OF AUSTIN ANNOUNCES MERCK ECONOMIC DEVELOPMENT PROPOSAL

Austin, TX (March 31, 2017) - The City of Austin today announced a performance-based economic development investment proposal with Merck, known as MSD outside the United States and Canada. Merck is proposing to establish an IT Hub focused on digital health and other information technology solutions creating at least 600 jobs over a 10-year period, with average salary wages of \$84,586 a year (with the lowest 10% at \$54,511). Merck has been inventing medicines and vaccines for many of the world's most challenging diseases for more than a century. The company has approximately 68,000 employees worldwide and is headquartered in Kenilworth, New Jersey.

The City's proposal includes a performance-based investment of \$856,000 over a 10-year period. A presentation on the proposal will be provided at the Austin City Council meeting on April 6 at Austin City Hall. A public hearing and council consideration on the proposal will occur at the Austin City Council meeting on April 13. For more information on the proposal visit the City of Austin's Economic Development Department web site at www.austintexas.gov/ecodev

The City's Economic Development Department (EDD) develops and leads innovative programs that increase the prosperity of all Austinites, our businesses, and our diverse communities.

CITY OF AUSTIN LIVING WAGE NOTICE

On Monday, March 27, 2017, the Purchasing Office of the Financial Services Department posted a notice to adopt provisions for Living Wage requirements in City contracts. Living Wage requirements must be included in City Contracts where all of the following apply:

- ◆ Contract is predominantly for Non-construction Services performed on City Property or on City Vehicles.
- ◆ Contract results from a formal competitive solicitation, procedurally compliant with section 252.021 of the Texas Local Government Code; and
- ◆ Contract requires authorization from City Council in accordance with Article VII, Finance, Section 15 (Purchase Procedure) of the City Charter.

Living Wages will apply to directly assigned Contractor Employees of the Prime Contractor and any and all tiers of subcontracting. Living Wages shall apply to both expenditure contracts and revenue generating contracts. Currently, the Living Wage amount is \$13.50 per hour. When executing a new contract that is subject to

Living Wage, Staff will apply the Living Wage amount applicable at the time the contract is executed and it will remain the same throughout the term of the contract. This notice will be available for review and comment until April 28, 2017. A copy of the notice can be found by clicking on this link: <http://www.austintexas.gov/edims/document.cfm?id=274088>

AUSTIN PARKS & RECREATION DEPARTMENT AWARDED \$1.5 MILLION IN GRANTS FROM TEXAS PARKS & WILDLIFE COMMISSION

On March 23rd 2017, the Texas Parks and Wildlife Commission announced the recipients of their matching Local Parks Grant Program. Two of the City of Austin's Parks and Recreation Department (PARD) projects were approved for funding: Emma Long Park (\$1M) in the Urban Outdoor Category, and Dove Springs Recreation Center (\$500K) in the Urban Indoor Category.

The Program provides 50% matching grants on a reimbursement basis to eligible applicants. All grant assisted sites must be dedicated as parkland in perpetuity, properly maintained and open to the public.

AUSTIN CODE DEPARTMENT'S TOP FIVE COMMERCIAL AND RESIDENTIAL VIOLATIONS

The Austin code Department handles many different violations which can be substandard and/or dangerous. For commercial buildings, the top five violations are: 1. Unsafe Building Conditions—Buildings should be structurally safe, have permitted construction and a stable foundation. 2. Prohibited Signs— Signs cannot be placed on public property and/or right of way. 3. Zoning—A building or structure must have a certificate of occupancy and/or site plans. 4. Broken Windows—Buildings and structures should not have broken windows, doors, chipping paint, decayed wood, or lack weatherproofing. 5. Plumbing— Plumbing fixtures should not be damaged and plumbing should be properly installed.

The top five residential violations are: 1. High Weeds and Grass—Grass and weeds must be less than 12 inches tall. 2. Work without Permit— Must have permit to construct, alter, enlarge, repair, demolish, or move a structure. 3. Trash and Debris—Excessive trash, brush, and debris should not gather on yards or driveways. 4. Unsanitary Conditions—The interior of a structure or home should be free of bug infestations, excessive garbage, broken utilities, and standing or leaking water. 5. Substandard and Dangerous Structures—A home or building that is unsafe and/or threatens the safety of those around it. This can include heating and plumbing issues, lack of weatherproofing, potential structure failure, exposed electrical wiring, heavy fire damage, and abandoned, open structures.

Single Local Governments Event Seeking Partnerships

Central Texas Small Business Partnership Conference



Join Austin Community College, Austin Independent School District,
City of Austin and Travis County for:
“Building Connections in Central Texas.”

REGISTER ONLINE AT
www.traviscountytexas.gov/purchasing

Wednesday, May 24, 2017
8:30 a.m. - 4:30 p.m.
Austin Community College Highland Campus
6101 Airport Blvd.
Austin, Texas 78752
Questions: hubstaff@traviscountytexas.gov

Phone: 512-854-9700

SAVE THE DATE
May 24, 2017

**Register Here <https://www.traviscountytexas.gov/purchasing/hub/vendor-conference-registration>

Highland Campus DIRECTORY & MAP

