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ACA Newsletter

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2018 Construction Contractors Forum Is First of A Series to Engage City Contractors

Austin—The Capital Contracting Office held its first Construction Contractors Forum in July as the 2016 Mobility Bond Program totaling \$720 million to relieve Austin area traffic congestion got under way.

Capital Contracting Officer Rolando Fernandez said that the forum is the first of a series of forums to come and will have forums for city contracts in Professional Services, Non-Professional Services, and Commodities.

The first forum was held in the downtown Line Hotel using a live meeting software to capture questions, feedback, and instant survey results from the audience.

The survey results showed a wish list including automating paperwork filing process, consistency in process to ease burdens on the primes, subs, and staff, making clear and accessible staff contact information for different issues, and developing a website similar to the 2016 bond program website for all CIP projects.

While Public Works Department is working on streamlining permitting process, and online payment, SMBR (Small and Minority Business Resources Department) is proposing several changes to restructure its process.

SMBR Assistant Director Edward Campos revealed that the department will be acquiring a software to bring online his “paper-driven” department. The software will allow contractors to upload sub-k reports electronically to eliminate the manual process of data entry by staff into the city system.

The department is also looking at bringing the certification application process online to do away with paperwork. To further reduce the number of emails vendors are usually bombarded with from all fronts, the department is piloting a good faith efforts process for the bond projects to limit one email per project.

Questions specifically pertaining to the city’s Minority Procurement Program include minority firms as pass-throughs, how to break up projects packages, how are firms vetted, requesting RFC forms be revised specific to IDIQ projects.

The assistant director said that the department has a rigorous procedure to vet all applications, and he encourages anyone who knew of any pass-throughs to report to the department.

The veteran city official, who had served as the Deputy Capital Contracting Officer before joining SMBR, also provided key pointers to success in the MWBE procurement program. To be successful with all the CIP projects in the MWBE program, he said, is to:

1. Use who you say you will
2. Pay who you say you will
3. Contact SMBR any time.

He reassured contractors that his department is there to help make it as easy as possible. So city vendors should communicate openly with staff about their issues. “We are here to help,” he concluded.

(SMBR Assistant Director Edward Campos, second from right, answered questions from the audience.)





City Council Approves New 380 Agreement Guiding Principles and Policy

The Austin City Council approved and adopted new Economic Development Guiding Principles and a Chapter 380 Policy in its last August council meeting.

Council also approved the creation of the Business Expansion Program and cleared the way for a future Locational Enhancement Program, both with a focus to deliver more inclusive and equitable community benefits for Austin.

With added priority for local business expansions, the updated guiding principles and programs are also reflective of Council policy priorities and aligned with Austin's Strategic Direction 2023.

"Austin's new Economic Development Policy will advance the department's outcome-focused programs that balance the exchange of incentives with community benefits identified as important by the community and City Council," said Rebecca Giello, Interim Director for the City of Austin's Economic Development Department.

"The policy update allows for a range of economic development tools that can address community needs and service gaps. It allows the department to be more responsive to market realities and creates an agile framework for future programs to respond to Austinites' expectations of economic development investments."

The economic development policy reform was the result of more than 15 months of stakeholder feedback to redefine the focus for investments of economic development incentives.

Several requirements that were shaped by the community feedback and Council policy direction for the first program under the new Policy framework, which is the Business Expansion Program, include:

- Requirement of a living wage paid to the Austin-based employees of the business receiving incentives;
- Intentional focus on community benefits with requirement that incentives only be granted to higher-wage firms for providing community benefits other than high wage jobs.
- A program category to help individuals who have barriers to employment find employment opportunities.
- Requirement that medium and large existing local expansion projects employ residents in the Austin MSA.

In Austin, the city's practice of providing financial incen-

tives for companies to relocate or move operations here has garnered plenty of criticism, ranging from outright opposition to the practice to concerns about whether the incentives are leading to jobs for those most in need and whether the city is favoring large international corporations over local businesses.

Such incentives are typically paid to companies over a multiyear period. The only incentive that has been authorized since the creation of the 10-1 Council in 2015 was an \$856,000 subsidy to Merck Sharp & Dohme Corp., paid over 10 years, that Council approved last year.

In June, City Council approved a resolution creating a new "guiding principles" for economic development. It highlighted creating jobs for "hard-to-employ" populations, such as those with criminal records or mental disabilities; creating middle-skill jobs; providing key services to underserved communities, such as healthy food in food deserts; and supporting small local businesses or arts organizations that are struggling to find affordable space.

Before the final vote, some Council members were worried that the new policy might undercut the city's "living wage" goals. Under current policy, the city only subsidizes companies that pay all of their workers at least what the city pays its lowest-paid employees. That is currently around \$14 an hour but is set to rise to \$15 an hour in October.

Instead of setting a wage floor, the proposed policy would instead focus on whether the company seeking incentives is paying workers above the median wage for its sector in the Austin metro area.

The new policy eliminates previous requirements of utilization of minority/women owned businesses as part of the incentives. Past track records have shown little to non-existent participation of minority/women vendors in most of the 380 agreement projects. The focus of the new 380 agreements has now shifted to hiring local employees for entry-level positions at the prevailing wage rather than MWBE certified businesses.

CITY MANAGER INVITES COMMUNITY FEEDBACK ON EXECUTIVE RECRUITMENTS

Austin City Manager Spencer Cronk wants residents to play a part in his process for recruiting and hiring new executives to the City.

Austinites have the opportunity to outline skills and characteristics they feel are most important for future executives to exhibit. Residents also have an opportunity to identify the biggest challenges these leaders should be prepared to address, in a [new survey](#) released today. The information gathered will be used to help inform recruitment for executive vacancies at the Deputy City Manager, Assistant City Manager, and department director level.

“Using our strategic plan to organize the City is a new direction forward,” Cronk said. “These executives will be responsible for delivering results to the community, so it’s important that our community has a say in what we’re looking for.”

The survey can be found here: <https://www.speakupaustin.org/Executive-profile>. The survey is open now and will be available until Friday, Sept. 28.

As he did prior to hiring Brian Manley as Chief of Police, Cronk intends to involve the community in each stage of the process, beginning with public feedback and in-person meetings with internal and external stakeholders. The feedback from the current survey will be used in all executive recruitments moving forward, beginning with the hiring of the first two Assistant City Managers this fall.

Each Assistant City Manager will be responsible for guiding the City’s work toward one or more of the outcomes identified in the City of Austin’s strategic plan. Their responsibilities will also include overseeing the departments largely responsible for the outcome and working collaboratively with the rest of the City on cross-departmental and cross-functional projects and initiatives.

In July, City Manager Spencer Cronk announced that he would be realigning his executive team to better support the Council’s adopted Strategic Direction 2023. That strategic direction focuses the City’s work around six outcome areas:

- Health & Environment
- Culture & Lifelong Learning
- Safety
- Government That Works for All
- Economic Opportunity & Affordability

• Mobility

In the City Manager’s new plan, the Small and Minority Business Resources Department, which has been under the city’s Chief of Staff, will be placed under the Assistant City Manager of Economic Opportunity & Affordability.

Priority outcomes for the next 3 to 5 years outlined in new strategic direction

The Austin City Council adopted a strategic direction on March 8, 2018, guiding the City of Austin for the next three to five years.

Austin Strategic Direction 2023 outlines a shared [vision](#) and six priority Strategic Outcomes:

Together we strive to create a complete community where every Austinite has choices at every stage of life that allow us to experience and contribute to all of the following outcomes:

Economic Opportunity and Affordability: Having economic opportunities and resources that enable us to thrive in our community.

Mobility: Getting us where we want to go, when we want to get there, safely and cost-effectively.

Safety: Being safe in our home, at work, and in our community.

Health and Environment: Enjoying a sustainable environment and a healthy life, physically and mentally.

Culture and Lifelong Learning: Being enriched by Austin’s unique civic, cultural, ethnic, and learning opportunities.

Government That Works for All: Believing that city government works effectively and collaboratively for all of us—that it is equitable, ethical and innovative.

The full document is published below. Learn more on the City’s [adaptive strategic planning portal](#) or e-mail performance@austintexas.gov.

2018 MBDA CONFERENCE AND BUSINESS OPPORTUNITY EXCHANGE TO BE HELD NEXT MIONTH IN AUSTIN

Celebrating **NATIONAL MINORITY ENTERPRISE DEVELOPMENT WEEK**



OCTOBER 14 - 20, 2018



The Minority Business Development Agency (MBDA) is honored to present Minority Enterprise Development (MED) Week in partnership with the National Minority Supplier Development Council, Inc. at the 2018 NMSDC Conference and Business Opportunity Exchange.

The 2018 National MED Week celebration, recognized at the NMSDC Conference, will offer several *Powered by MBDA* signature sessions, government-to-business matchmaking, and host the National Minority Business Awards Ceremony. The award is the highest level of recognition in the nation bestowed on a minority-owned business or firm by the U.S. Department of Commerce. Interested in taking your business to the next level of success? Join us at MED Week.

[REGISTER ONLINE TODAY](#)

for NMSDC's 2018 Conference + Business Opportunity Exchange

in Austin, TX, October 14-17, 2018!



Additional News from MBDA

[U.S. Secretary of Commerce Announces Henry Childs, II as National Director of the Minority Business Development Agency](#)

[10 Traits of a National Minority Business Award Winner](#)

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