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# ACA Newsletter

## ACA Presented to Council Committee on Dearth of MBE Participation Goals

Austin— Following a series of meetings with Austin City Mayor Adler and seven council members in March and April, the Asian Contractor Association (ACA), Austin Area Black Contractors Association (ABCA), and the Hispanic Contractors Association de Austin (HCAA), were invited by CM Troxclair (District 8), who chairs the Economic Opportunity Committee, to present to the committee on June 8th concerning various issues facing the city's MBE/WBE procurement program .

ACA's presentation, followed by that of ABCA and HCAA, focused on the city's MBE/WBE participation goal setting policy, which has often resulted in 0% goals. Having doubts about the city's goal setting practice, ACA pointed directly to City Ordinance 2-9 (A,B,C,D)-19 for criteria and guidelines.

According to the ordinance, the availability of MBEs in the marketplace is not only the preponderant factor when setting goals, but the scarcity or abundance of it is the pre-requisite for the consideration.

ACA also explained to the committee members, including CM Pool (District 7), CM Houston (District 1), and CM Casar (District 4), how the participation goals are calculated using the city's own formulas. CM Kitchen (District 5) was also present at the meeting for her special concern over the lack of subcontracting opportunities for MBEs/WBEs in city projects.

As demonstrated in the two formulas below for the annual participation goals and project specific goals, all the factors involved in determining goals are related to M/WBE availability and the actual city contract expenditures.

### Annual Goal Formula by Category (Construction, Professional Services, Non-Professional Services, and Commodities) and Ethnicity (African American, Hispanics, Asian, Women)

# of (e.g. Asian) Vendors Total in (e.g. Construction)

# of non-M/WBEs in marketplace x percentage of city expenditures in Construction

### Project Specific Goal Formula by Category and Ethnicity

# of (e.g. Asian) Vendors Total for the Commodity Code x Commodity Code's Trade Summary %

# of Vendors Total for that Commodity Code in the marketplace

Although these formulas have been well established since the last century, more than half of the city solicitations continue the decades-long tradition of no identifiable M/WBE participation goals.

This explains why the council continues to see no subcontracting opportunities in many of the contract awards streaming through council meetings for approval regardless how many M/WBEs are available to perform the work.

ACA also discovered in an in-depth review of city solicitations in December of 2014 that many commodity codes for these no-goal contracts were left out, there was a preference for single source contracts, and misidentifying commodity codes .

Whether the SMBR's (Small and Minority Business Resources Department) goal setting policy, which automatically cancels out M/WBE goals when only one commodity code is present, has any bearing on these problematic code identifications or not, it is certainly controversial and regressive.

What is incontrovertible and not subject to an individual's arbitration or errors is the M/WBE availability list and the city's actual contract amounts, which are the indicators and sign posts for goal setting as elucidated in the ordinance.

In stead, SMBR falls back on what's called the No-Goals Form requiring a prime contractor to avow that no subcontractors will be used since the city has identified no subcontracting opportunities. The form also asks a prime to divulge whether or not subcontractors will be employed. If yes, M/WBE compliance plan to perform good faith-efforts has to be followed using the city's availability list.

The nagging question is: If there is an availability list, why are there no goals? This form shifts the governing authority of the ordinance from SMBR to the prime, who gets to decide not only what percentages to be utilized, but what ethnic groups should participate. Who is running the M/WBE program?

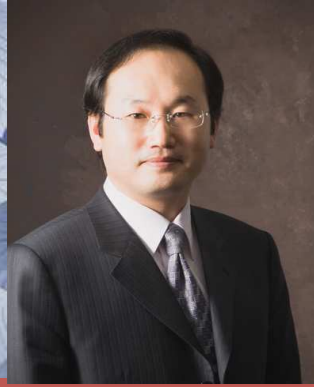
Having carefully reflected on the true spirit and purpose of the ordinance, ACA argued in the presentation that the city does not hire subcontractors directly and that setting goals, the lifeline of the program, is the least the city can do to help foster partnerships between large corporations and city's M/WBEs.

At the end, ACA proposed that the city conduct training for all procurement personnel across city departments to gain a better understanding of the city's M/WBE procurement ordinance, and abandon the No-Goals Form so that the mission of setting goals is not lost to private hands.

SMBR admitted in the committee meeting that it currently does not compile any data to analyze the state of the program from year to year in terms of M/WBE participation numbers. It is unknown after 30 years of implementing the city's civil right program whether the program is working or not. SMBR staff will return in August when council reconvenes to report its progress working with the community on the issues raised at the meeting.



# Asian Prime Contractors



SC Construction Company was founded in 1995 by Sung Cho, who also serves as the President of the Korean American Chamber of Commerce in Austin and as a board member of the Asian Contractor Association. SC Construction specializes in general contracting, construction management, and design/build projects. For more than a decade, SC has extended its services to include industrial, manufacturing, office, retail, and other commercial construction projects in the Greater Austin Metro Area.

Aimed at long term partnerships with our clients, we strive to ensure quality of our work, top safety measures, timely services, and anticipate client needs in the most unexpected circumstances. Our core values are to treat all our employees with respect and fairness and involve them in all quality-



Sam Squared Technologies, Inc. ( 36,000 SF)



KoMico Technology, Inc. ( 15,000 SF)

improvement processes so as to guarantee responsiveness that leads to cost effectiveness for our clients.

We understand the importance of clients relationships and will remain fair and true in our interactions with our employees, clients, vendors, and partners. Construction is a people management business. SC's goal is to foster a teamwork atmosphere with the owner, project stakeholders, designers, subcontractors, and suppliers to achieve quality and timeliness, which will ultimately benefit everyone on the team. We take great pride in our past accomplishments and will continue to build on them without fail.

## Mission Statement

" To deliver high-quality, cost-effective projects on schedule by employing and supporting motivated, flexible, and focused teams."

## Objectives

- ◆ To Perform for our customers the highest level of quality construction services at fair and market-competitive prices
- ◆ To ensure the longevity of our company through repeat and referral business achieved by customer satisfaction in all areas including timeliness, attention to detail, and service-minded attitudes

- ◆ To maintain the highest levels of professionalism, integrity, honesty, and fairness in our relationships with our suppliers, subcontractors, professional associates and customers

## Our Values

**Trust-** We place trust at the center of every relationship with customers, subcontractors, suppliers, architects, engineers and fellow team members.

**Teamwork-** People are our greatest strength. SC people work with customers and business partners in a spirit of collaboration and trust to tackle the challenges of construction.

**Responsibility -**We are responsible to team members, customers, subcontractors, suppliers, architects, engineers and the communities in which we live and work.

**Safety-**We are committed to eliminating all worker injury. Every SC team member and every customer, subcontractor, supplier, architect and engineer can expect that our work sites place their personal safety as our highest priority.

**Service-**We embrace a customer service culture. We believe our future is secured by advancing the interests and success of our customers.



W by Azwell, Inc. (10,000 SF)



## CIP Annual Expenditures Around \$650 Million

The City spends approximately \$650 million each year on its Capital Improvement Program (CIP). The CIP touches nearly every city department such as Parks and Recreation, Health and Human Services and Neighborhood Housing and Community Development. The Capital Planning Office (CPO) was established in 2010 to create a more robust, comprehensive, and integrated CIP to support the City's planning goals and priorities. The FY 2015-2016 Long-Range CIP Strategic Plan is now available at [www.austintexas.gov/strategicplan](http://www.austintexas.gov/strategicplan). For more information, please contact CPO at 512-974-7840.

## Conversations to Create Unity in the City

Rev. Martin Luther King Jr. once said, "...I am convinced that men hate each other because they fear each other. They fear each other because they don't know each other and they don't know each other because they don't communicate with each other, and they don't communicate with each other because they are separated from each other." Inspired by this sentiment, the Susanne Dickinson Museum is pleased to present *Conversations to Create Unity*, an oral history project with a exhibition running from June 14th through November 15th at the 411 E 5th St. The museum is open Wednesday—Sunday afternoons from 12-5pm. For more information, contact Melissa Parr at 512-974-3832.

## City Council Appoints City Auditor

The Austin City Council recently appointed Corrie Stokes as City Auditor, who has been serving as the acting City Auditor since December 2014 after former City Auditor Kenneth Mory stepped down amidst allegations of misuse of city resources. Stokes joined the City in 1999 and has worked with most City operations including housing, law, public safety, transportation, planning and utility services. The Office of the City Auditor promotes transparency, accountability and continuous improvement through excellence in audit and investigate city services.

## City Received EPG Grant to Develop Equitable Housing and Stable Commercial Districts

The city in collaboration with Capital Metro was selected by the US Environmental Protection Agency (EPA) to receive a technical assistance grant to develop strategies for preserving and developing equitable housing and stable commercial districts. The grant will support a workshop focused on bringing together city officials, residents, business owners, and stakeholders, to discuss equitable solutions. The project area is Burnet Road, a high-frequency transit corridor along MetroRapid Route 803 from 45th St to Hwy 183 and Anderson Ln from MoPac to MetroRail Rd Line.

## Austin Parks and Recreation Development Collecting Community Input Selectively

The Austin Parks and Recreation Department is asking for public input to plan for future park development projects. Over the next year and half, the department will be collecting data to update the Long Range Plan for Land, Facilities and Programs (LRP). This plan was developed by city staff based on demographic information, surveys, trends, and standards for parks. However citizens will need a smart phone to scan the bar code posted in select parks in order to fill out the survey for a very limited time between May 20th and July 6th. For more information, please contact Randy Scott at 512-974-9484.

## Zucker Report to Improve Development Permitting Process Complete and Made Public

In August 2014, the city hired Zucker Systems to conduct an independent analysis of the Planning and Development's functions with the intentions to improve process efficiency, customer satisfaction, and delivery of accurate and timely services. Consequently, City Manager Marc Ott separated the department into Development Services Department to provide permits, inspections, and review functions, and Planning and Zoning Department for zoning, CodeNex, and land development code among other functions. The full report is available online at [www.austintexas.gov/zuckerfinalreport](http://www.austintexas.gov/zuckerfinalreport).

## Apply for Annual City Works Academy

The city is accepting applications to the City Works Academy from now through July 24th. The academy provides an opportunity for Austinites to get involved in local government and learn first-hand about city programs and services from those who deliver them directly. Mayor Adler and other members of the Austin City Council will also participate in the sessions held in the City Hall on 2nd St. Since the program began in 2009, almost 200 Austin residents have graduated from the academy and several have gone on to serve on City boards and commissions. The academy is limited to 35 participants. To apply online, please visit [www.austintexas.gov/cityworks](http://www.austintexas.gov/cityworks) or call 512-974-2955 for more information.

## Council Selected 2nd Most Qualified Energy Consultant

Austin City Council voted 7-3 to award a \$300,000 contract to Navigant Consulting, a locally-owned firm, over Pace Global, a subsidiary of Siemens, to conduct a energy gap study at the council regular meeting on June 25th. The move over-ruled city staff's recommendation and favored a company with local roots and local talents.



# A Glance at Asian Firms in the USA from the Latest Available Government Data



## Fact Sheet

# Asian American-Owned Firms

## ECONOMIC IMPACT: \$506 BILLION IN REVENUES AND 2.8 MILLION JOBS <sup>a</sup>

	Asian American Firms	All Minority Firms	Non-Minority Firms
Number of firms	1.5 million	5.8 million	20.1 million
Combined gross receipts	\$506 billion	\$1.0 trillion	\$9.8 trillion
Average gross receipts	\$327 thousand	\$178 thousand	\$488 thousand
Number of firms with employees	397 thousand	767 thousand	4.3 million
Combined receipts of firms with employees	\$453.6 billion	\$860.5 billion	\$9.1 trillion
Average receipts of firms with employees	\$1.1 million	\$1.1 million	\$2.1 million
Number of paid employees	2.8 million	5.8 million	50.1 million

## QUICK FACTS <sup>a</sup>

- ◇ There are 1.5 million Asian American-owned firms in the U.S.
- ◇ Asian American-owned firms contribute \$506 billion in U.S. economic output and 2.8 million jobs per year.
- ◇ Asian American-owned firms with employees average 7 workers and \$1.1 million in annual receipts.
- ◇ Between 2002 and 2007, the number of Asian American-owned firms grew 40 percent or more in 26 states.
- ◇ Asian American-owned firms are more concentrated in California, Florida, Hawaii, Illinois, New Jersey, New York, and Texas.

## POPULATION BUYING POWER <sup>a</sup>

Asian American	All Minority	Non-Minority
\$508.6 billion	\$2.46 trillion	\$8.25 trillion

## ENTREPRENEURIAL PARITY OFFERS GREATER ECONOMIC IMPACT

### Entrepreneurial Parity of Asian American-Owned Firms <sup>a,c</sup>

Entrepreneurial parity is defined as reaching proportionality between the Asian American adult population and business measures, such as number of firms, gross receipts, and employees.



<sup>a</sup> U.S. Census Bureau, 2007 Survey of Business Owners, June 2010

<sup>b</sup> U.S. Census Bureau, Annual population estimates, June 2010

<sup>c</sup> U.S. Census Bureau, 2002 Survey of Business Owners, September 2006

<sup>d</sup> U.S. Census Bureau, Ownership Characteristics of U.S. Exporting Firms, June 2012

<sup>e</sup> University of Georgia, Selig Center for Economic Growth, The Multicultural Economy 2009