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ACA Newsletter

Asian Contractor Association
4201 Ed Bluestein Blvd. #2100
Austin, TX 78721
Tel: 512-926-5400

City Council Approves Women/Minority Procurement Program to Continue Till 2020

Austin—The city’s ordinance relating to minority and women procurement program has been extended for two more years to expire on March 31st of 2020.

City Council gave its consent in the March 1st council meeting to continue the program uninterrupted since its inception in the 80s.

The ordinance has a sunset clause that expires annually at the end of each year. Last December, the ordinance was extended for three more months to March 2018 to allow public input of the proposed participation goals as a result of a two-year disparity study.

The study, conducted by the National Economic Research Associates (NERA), was commissioned by the city in 2013.

Based on its market findings, NERA recommended that the overall participation goals for minority-owned businesses be increased in construction, non-professional, and commodity purchases, except for professional services.

In this particular category, the goals proposed reduce from 1.9% to 1.6% for African-American firms, from 9.0% to 7.5% for Hispanic firms, 4.9% to 3.3% for Asian firms, and from 15.8% to 6.7% for women-owned firms.

The outcry from the professional services firms across the board were heard by the council and the proposed goal changes have been put on hold since.

The chart below shows the existing goals to be continued as standard application until further actions are taken by the council.

| Group | Construction | Professional Services | Nonprofessional Services | Commodities |
|-----------------------|--------------|-----------------------|--------------------------|-------------|
| African-American | 1.70% | 1.90% | 2.50% | 0.30% |
| Hispanic | 9.70% | 9.00% | 9.90% | 2.50% |
| Native/Asian American | 2.30% | 4.90% | 1.70% | 0.70% |
| MBE | 13.70% | 15.80% | 14.10% | 3.50% |
| WBE | 13.80% | 15.80% | 15.00% | 6.20% |

The city’s disparity study is conducted regularly every five to seven year. The last study was done in 2008. The next one is expected to come up for discussion before the sunset date arrives in 2020.

Below are two tables comparing dollars awarded and paid to MWBE firms for all city contracts during the 2013-2015 disparity study period.

Table B1. M/WBE Utilization in Contracting at the City of Austin--All Contracts (Dollars Awarded)

| M/WBE Type | Procurement Category | | | | |
|------------------------|----------------------|---------------------------|------------------------------|-----------------|---------------|
| | Construction (%) | Professional Services (%) | Nonprofessional Services (%) | Commodities (%) | Overall (%) |
| African American | 1.67 | 3.24 | 1.88 | 1.11 | 1.82 |
| Hispanic | 13.73 | 11.60 | 3.27 | 6.09 | 8.01 |
| Asian/Pacific Islander | 1.64 | 5.66 | 2.92 | 0.31 | 2.30 |
| Native American | 0.03 | 0.02 | 0.10 | 0.21 | 0.09 |
| Minority Total | 17.07 | 20.53 | 8.17 | 7.72 | 12.23 |
| Nonminority female | 6.68 | 10.90 | 5.49 | 2.76 | 5.90 |
| M/WBE Total | 23.76 | 31.43 | 13.66 | 10.48 | 18.13 |
| Non-M/WBE Total | 76.24 | 68.57 | 86.34 | 89.52 | 81.87 |
| Total (%) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Total (\$) | 1,418,347,835 | 643,671,866 | 1,729,836,803 | 1,151,098,221 | 4,942,954,725 |
| Total Prime Contracts | 475 | 479 | 1,440 | 1,540 | 3,934 |
| Total Subcontracts | 4,820 | 2,693 | 2,020 | 0 | 9,533 |

Source and Notes: Table 6.1.

Table B2. M/WBE Utilization in Contracting at the City of Austin--All Contracts (Dollars Paid)

| M/WBE Type | Procurement Category | | | | |
|------------------------|----------------------|---------------------------|------------------------------|-----------------|---------------|
| | Construction (%) | Professional Services (%) | Nonprofessional Services (%) | Commodities (%) | Overall (%) |
| African American | 1.49 | 3.70 | 1.91 | 1.19 | 1.84 |
| Hispanic | 15.30 | 12.63 | 3.51 | 5.54 | 8.61 |
| Asian/Pacific Islander | 1.62 | 5.63 | 3.04 | 0.26 | 2.27 |
| Native American | 0.03 | 0.02 | 0.13 | 0.16 | 0.09 |
| Minority Total | 18.44 | 21.98 | 8.58 | 7.15 | 12.81 |
| Nonminority female | 6.52 | 11.37 | 5.45 | 3.10 | 5.94 |
| M/WBE Total | 24.95 | 33.35 | 14.03 | 10.24 | 18.75 |
| Non-M/WBE Total | 75.05 | 66.65 | 85.97 | 89.76 | 81.25 |
| Total (%) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 |
| Total (\$) | 1,230,402,467 | 538,903,507 | 1,412,133,147 | 1,038,323,711 | 4,219,762,832 |
| Total Prime Contracts | 441 | 405 | 1,306 | 1,381 | 3,533 |
| Total Subcontracts | 4,451 | 2,306 | 1,754 | 0 | 8,511 |

Source: Table 6.2.

Capital Contracting Officer Plans Better Solicitation Process

Officially appointed the City of Austin Capital Contracting Officer over a year ago, Mr. Rolando Fernandez brought to the job years of leadership experiences and skills he acquired sagaciously during his military and government tenures.



Before joining the city in 2006, Mr. Fernandez had served in the US Air Force for nine years as an aerospace physiologist and craftsman. He had different levels of responsibilities overseeing 11 airmen and had been deployed overseas to support global operations in Saudi Arabia, South Korea, Italy, and Germany. He said his military experience had prepared him for his leadership role in team building, managing stress, and prioritizing. "I definitely grew up in the military for sure," smiled the towering city official.

His career at the city began in the office of the retired Assistant City Manager, Michael McDonald. The departments under McDonald's management covered a wide range of services from health clinics, libraries, neighborhood housing, community developments, parks and recreation, to EMS, fire, police, and municipal courts.

He felt very blessed and fortunate to have had the opportunities to be involved in all those different city departments and to work under many good leaders with different styles and with the city manager's executive teams, he attested.

Four years later, he was assigned to former City Manager, Marc Ott's office as his assistant to help him not only in all the areas a city manager oversees, but also in responding to questions from council members and getting the manager ready for council meetings to tackle various issues especially budget development.

The heavy workload kept him busy, but it gave him a fertile ground to learn from many "amazing talented people he got to work with," remembered the military veteran with a great sense of gratitude.

He became the Assistant Director of the now defunct Contract Management Department in 2010 by the appointment of then Assistant City Manager Rudy Garza, and has held the current title since August of 2016 after the department was reorganized to line up under the Financial Services.

He now has 46 employees in his office managing solicitations and contracts involving capital improvement projects that procure professional services and both horizon-

tal and vertical construction scopes of work. The office also handles projects using design-build, construction manager at risk, and alternative delivery methods.

For him, working with multiple departments requires a core team to help him make good decisions but not without a meticulous decision making process, he revealed.

"You are not always the smartest person or the most experienced. That means I have to ask people I surround myself with for their perspectives. What do they think? Why do they think that way? How do they see it working out? It always makes sense especially for critical decisions to have people there to get their perspectives on those decisions."

"At the end of the day, we are paid to make decisions. You've got to make decisions. That's how I saw it. In the military, it is the same approach. Have all the information or at least as much information as you can. Know how the decision impacts everybody around you and know the end results," spoke the mild-mannered executive with a strong belief in team work.

In addition to managing day to day contracts, his office is planning to revamp some internal procedures to help increase the number of bid submittals, which he said has seen a decrease recently.

Items he would like to implement include:

- 1) Reducing the number of documents required at the time of bid submission.
- 2) Streamlining pre-bid meetings so they meet the expectations of attendees rather than following the usual routines.
- 3) Reviving the Subcontractors Academy under a different name to train subcontractors and help them do business with the city.
- 4) Making information of upcoming projects accessible way in advance to allow potential bidders to plan, prepare, and form potential partnerships.
- 5) Preparing a high-level summary of the front-end contract documents to take out the mystery of convoluted government paperwork.

He asked all contractors with any questions regarding contract documents and compliance to contact the Capital Contracting Office at 505 Barton Springs Road, Suite 1045, Austin, TX 78704. Phone: 512-974-7181

New Alliance Program Supports New and Existing Minority Vendors

Funded by the Texas Department of Transportation, the University of Texas San Antonio has established a new program called the Alliance Program to assist new business owners in doing business with the department.

In a presentation to minority business owners in Austin, Project Manager Eloy Garcia (see photo), explains the mission of the new program, which aims to provide a statewide focused and direct approach to increase the contract participation of relevant Historically Underutilized Businesses (HUBs) and Disadvantaged Business Enterprise (DBEs).

The program provides these businesses with firm-specific training and guidance to help them become competitive especially in the heavy highway or construction industry. The program can prepare DBEs to move into nontraditional areas of work and to compete in the marketplace outside the DBE program.

The process to assist minority firms includes:

- ◆ Identify HUBs & DBEs that may have the ability to perform Heavy Highway Construction
- ◆ Conduct Vetting and other Pre-Qualification Activities to determine their relevance and potential
- ◆ Enroll “New DBEs” in the Program and identify their Supportive Services needs
- ◆ Administer Supportive Services and monitor their progress

Their services also include:

- ◆ Target & Align TxDOT Opportunities with Relevant DBEs
- ◆ Bidding & Estimating Assistance
- ◆ Bonding & Insurance
- ◆ Access to Working Capital
- ◆ Project Planning & Scheduling
- ◆ Staffing/Workforce
- ◆ Development of Construction Accounting Systems

The Alliance Program also provide networking opportunities, project-matching assistance between subcontractors and primes, and access to training in the areas of business development, business management and construction management.

Austin is one of the areas serviced by the program, which covers only Corpus Christi, Laredo, San Antonio, Pharr, and Yoakum.

For anyone interested in the services, please contact Eloy Garcia or Paul Herrera at 210-458-2458 or utsaalliance@utsa.edu.



Eloy Garcia from the Alliance Program explains how this program can offer one-one-one mentorship to new comers and existing vendors.

Swinerton Invites Local Minority Firms to Join the Team

Swinerton Builders, a \$3.8 billion private company, boasts a corporate philosophy that is committed to increasing the participation of minority contractors.

The commitment is not “merely philanthropic,” but to benefit all and ultimately the small business market, says Drew Rippel, Central Regional Manager of Community Relations, in a presentation to the three minority contractors associations: the Asian Contractor Association (ACA), the Austin Area Black Contractors Association (ABCA), and the US Hispanic Contractors Association (USHCA).

Founded in 1888 and having been in the Austin market since 2012, the corporation has 18 offices in 10 states. It is also a 3500 employee-owned company with a bonding capacity of 1.25 billion.

Their own records show a 33% MWBE participation in company wide projects and 38% in Texas.

Rick Moore, VP, Director of Community Relations, who flew in from the company headquarters in San Francisco for the meeting, was the first to reach out to the three local minority contractors associations.

In expressing the builder’s strong desire to work with the three minority contractors associations, he said he wanted to invite all interested minority subcontractors to bid with Swinerton.



From right to left: Rick Moore, Juan Oyervides (USHCA), Aletta Sung (ACA), Billy Maphies, Drew Rippel, Carol Hadnot (ABCA), and Gilbert Ceballos.

Although the company follows a subcontractor prequalification guideline for any contracts over \$100,000, one does not necessarily have to be pre-qualified to win a contract with Swinerton, according to Senior Estimator Billy Maphies.

There are many Swinerton subcontractors that are not pre-qualified, he says, however, a pre-qualified contractor has the benefit of using a 3rd party automated Subcontract and Management System to make the invoice submissions and payment process much easier.

To become prequalified, a new applicant can visit:

<https://cmicweb.swinerton.com:443/cmiproduct/PmSsPrequal/Apply.jsp>

Current Swinerton subcontractors should email subcontractorprequal@swinerton.com for a unique link and password to update and renew their prequalification.

Documents required to become prequalified include:

- ◆ Current Financial statement (Income statement plus Balance sheet)
Letter of Bondability
- ◆ Certificate of Insurance
- ◆ OSHA 300 Log
- ◆ Certifications (MBE, HUB, DBE etc)
Line of Credit Letter from your bank
- ◆ General Liability and Workers Compensation Insurance Policy Rate and Dec Pages
- ◆ W-9

ANY PREQUALIFICATION QUESTIONS, PLEASE USE THE FOLLOWING LINKS:

Matt Semancik MSemancik@swinerton.com

Amarili Galvez AGalvez@swinerton.com

subcontractorprequal@swinerton.com

Link to Swinerton.com Prequal page: [http://](http://www.swinerton.com/subcontractors/subcontractor-prequal)

www.swinerton.com/subcontractors/subcontractor-prequal

Drew Rippel, Central Region Community Relations, (303)

418-5394, drippel@swinerton.com