ASIAN REFERENCE GUIDE FOR CONTRACTORS

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Prepared for

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1. INTRODUCTION

City of Austin (COA) often has construction-related projects that require the talent and work of contractors. This publication is to describe Asian resources and how Asian contractors should respond to projects of the government or organization. The meaning of Asian contractors in this publication refers to Asian-owned businesses engaged in the construction-related services. In this regard, Asian contractors are classified as general contractors, specialty construction services, engineers, architects, commodity providers, and other related professional services.

The objectives of this publication are:

1. Demonstrate the availability and other information of Asian contractors in the City of Austin area.
2. Present information about contracting process including registration, certification, procurement, and project permits.
3. Encourage Asian contractors to be certified as minority business enterprises, such as MBE/WBE, HUB, and DBE (Reference 1, COA).

This publication is the result of research conducted by Asian Contractor Association (ACA). ACA is a nonprofit organization which has been established since 2002. The mission of ACA is to promote Asian contractors, assisting them to participate in the construction-related projects as presented by COA and other organizations. ACA has two major programs. One is an outreach program that ACA gathers information and encourage Asian contractors to respond to projects presented by various organizations. The other is to assist Asian contractors in technical and procurement issues. Also, ACA has a web site, www.acta-austin.com. This site presents its objectives, services, and technical publications.

2. ASIAN POPULATION IN THE CITY OF AUSTIN AREA

More than 100 years ago, there has been a few Asian families living in City of Austin, Texas (Reference 2, Texas Capital News). Not until late 1950's, more Asians came to Austin studying at University of Texas at Austin. Starting in 1960's, some Asians moved to Austin for jobs or business. In 1980, Asians constituted about 1 - 2 percent of the Austin population (Reference 3, US Census). At this time, Austin has about 346,000 people (Reference 4, COA). Asian population in Austin has had significant growth since 1980. In 1990, the number of Asians in Austin is 15,366 which is 3.3 percent of the total Austin population. This percentage has subsequently increased to 4.7 in 2000, 6.3 in 2010, 8.9 in 2020, and 9.3 in 2023.
Figure 1 identifies the increase of Asian population in the COA area from year of 1950 to 2025.

3. ASIAN CONTRACTORS IN THE AUSTIN AREA

The contractors are also referred as vendors when they respond to the project presented by an organization. In nature, Asian-oriented vendors are minority vendors. Nevertheless, Asian-oriented vendors have to pass through a certification process to be recognized as the official minority vendors. In 1987, COA established a Minority and Women Business Enterprises Program (MBE/WBE) in which a minority-owned businesses can be certified as a WBE or MBE by satisfying specific requirements. This certification provides a better opportunity to minority vendors in approaching the city's projects. There are other certification programs such as HUB (Historically Underutilized Enterprise) offered by State of Texas and DBE (Disadvantaged Business Enterprise) provided by the U.S. Department of Transportation.

Not many certified Asian vendors existed in the Austin area prior to 1990. However, the number of certified Asian vendors has been rapidly increased (Figure 2), likely due to the efforts of the COA Small and Minority Business Resources Department (SMBRD) and its service providers. SMBRD reviews most of the city's purchasing projects to ensure the minority vendors to be included in the procurement process. The department also has an outreach program to promote the participations of the minority vendors in the city projects. Up to July 2025, there are about 170 certified Asian vendors or contractors in the construction-related field.

4. MINORITY CERTIFICATION AND ITS BENEFITS

Minority certification is to define the business's ethnicity or disadvantage status. In general, the certification consists of the following elements.

- An Asian business may be certified as a minority vendor if the business has 51% or greater shares of the ownership.
- The business's assets other than the homestead is limited to a specific value.
- The certification shall identify the vendor's job specialties, and the commodity or service areas of its business.
- The certification can be renewed subject to the review of the authority.

At COA, the certified business is benefitted by participating in the MBE/WBE program. In particular, the certification provides the following listed advantages:

1. A certified minority business has the priority access to government and other contracts.
2. The certification identifies the vendor's minority ethnicity and business profile so that the vendor has a better opportunity to be contacted for cooperation.
3. As a certified business, the vendor can often participate in training, networking, and procurement events.

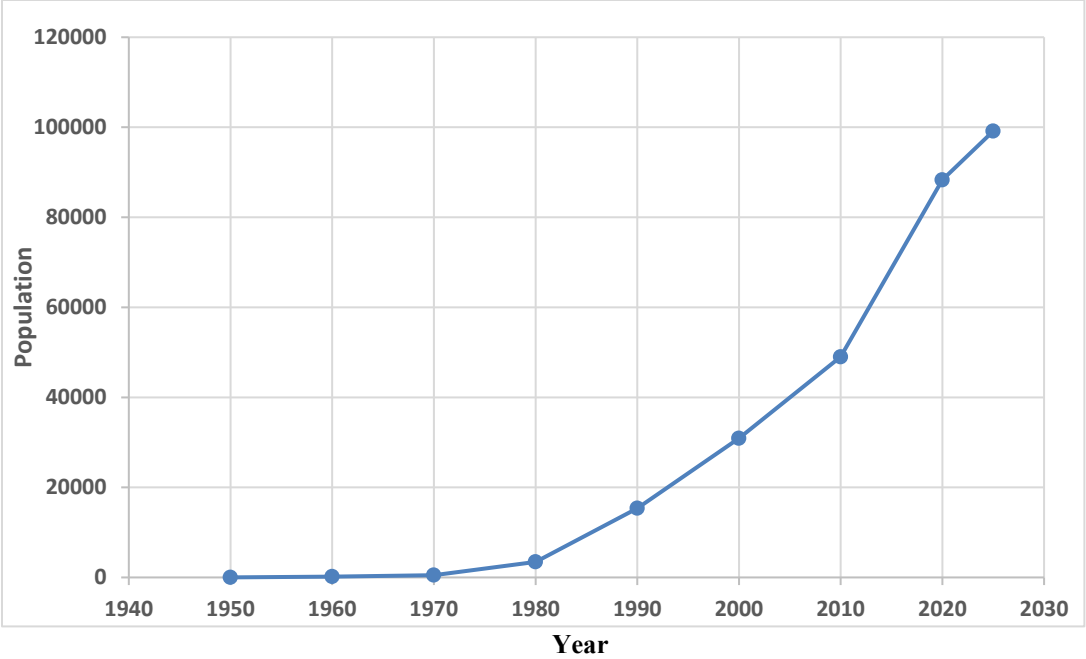

Figure 1. Increase of Asian population from year of 1950 to 2025

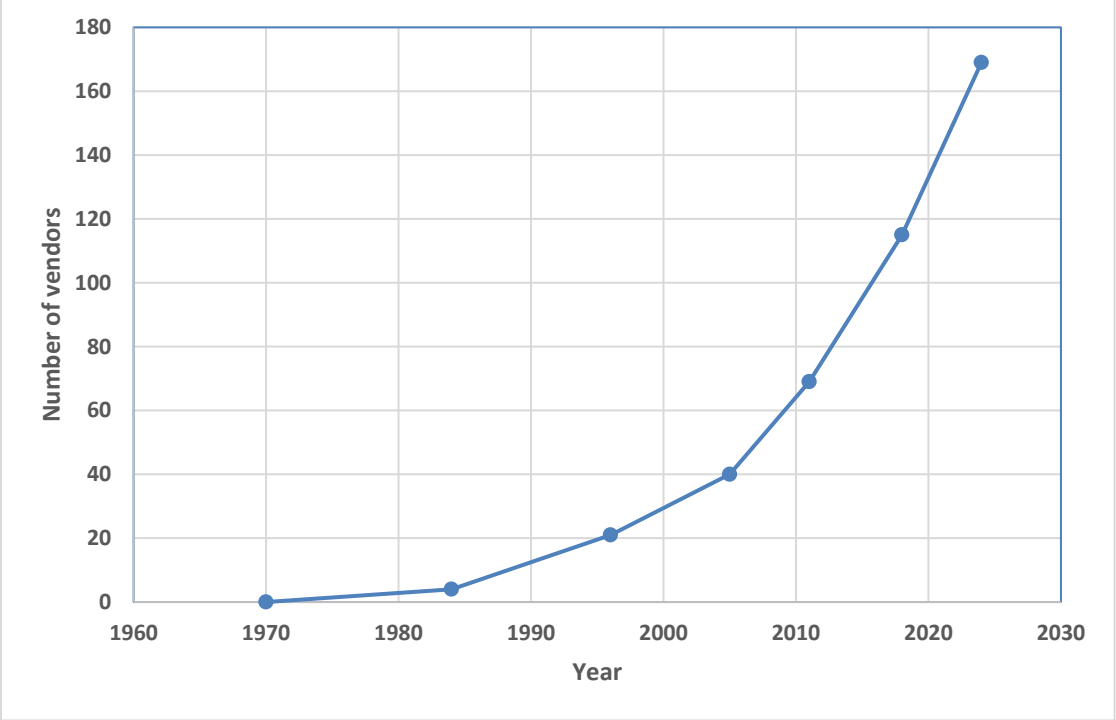

Figure 2. Increase of Asian Vendors from year of 1970 to 2024

5, BIDDING PROCESS FOR CONTRACTORS

Contractors responding to a project shall experience the procurement and permitting processes. Bidding is an essential part of the procurement process. An engineering firm participates in a bidding process is named as Request for Qualification (RFQS). The project owner chooses an engineering firm based on the qualification of this firm, such as the number of engineers and their professional experience. The selected firm is to perform design work, completing a report and the engineering drawings. These products have to be reviewed and permitted by the authority. For the contractors in construction, they respond to the construction project, participating in a bidding process entitled Invitation for Bid (IFB) or Request for Proposal (RFP). The project owner selects a construction firm from the bidding process. The selection is based on the price of bid, and possibly the firm's method and procedure. The selected firm shall have a discussion with the permit authority prior to the construction. This firm must have a permit for building at any time before and during the construction.

6. PROCUREMENT PROCESS FOR CONTRACTORS

Procurement is a strategic process of purchasing by a public or private organization, or individuals (Reference 5, Investopedia). For contractors, the procurement process may consist of steps as listed below:

(1) Register as a prime or subcontractor for the procurement process.
(2) Search for a purchasing request presented by an organization.
(3) Participate in the pre-bid conference to obtain general project information.
(4) Locate a plan room in order to read engineering report and drawings.
(5) Evaluate the project if it is beneficial for the contractor to pursue.
(6) Prepare and submit a bid or proposal, and other required documents by the deadline.
(7) Realize that the organization is to negotiate a contract that minimizes the cost but retains the quality of the construction.

7. CITY OF AUSTIN PROCUREMENT PROCESS

COA procurement process in construction emphasizes a competitive nature and the participation of minority contractors. In general, the COA procurement is characterized by the following facts:

- The City Charter requires that for any purchase above $5,000, competition taking offers from multiple sources shall be conducted.
- For purchase above $5,000, the City's Financial Services Department (FSD) takes the responsibility for acquisitions. FSD plans and execute the COA procurement process.

- The FSD is solely responsible for the City's purchase of construction and other services. In this connection, it's convenient for the city to have an overall plan to optimize its procurement processes (Reference 6, COA).
- COA encourages minority contractors to participate in its procurement process. The minority contractors should apply for and be certified as MBE/WBE's so they can be considered as the certified or official minorities. SMBRD manages the City's minority certification and compliance programs. The compliance program monitors the participations of MBE/WBE in the City of Austin procurement process.

The COA procurement process begins with its departments' purchasing requests. Each department may purchase up to $5,000, subject to the competitive bids. Above $5,000, the central purchasing or FSD takes the responsibility. For purchase between $5,000 and $50,000, it's defined as the informal competitive procurement. The City's solicitation describes when and where that offers will be received. Award documents are normally placed by Financial Services on Financial Online after solicitation documents and offers are reviewed. For purchase over $50.000, it's defined as formal competitive procurement. Formal solicitations are reviewed in sealed envelopes. Award documents are also placed in Financial Online.

Procurement at the City can be classified as bid (IFB) and proposal (RFP) as specified above. Bid is awarded on the basis of the price offered by the lowest responsible and responsive bidder. Information about the price offered is a public record when the bid is received and opened. Proposal is awarded on the basis of the best value to the city. Normally an evaluation committee is organized for the selection of the best proposal. Contents of a proposal is not a public record until a contract is awarded. If the contents of a proposal are marked as proprietary and confidential, that content is referred to the Texas Attorney General for a determination of release to the public. The COA procurement process is also subject to special considerations such as anti-collusion, anti-lobbying, offer confidentiality, and no conflict of interest being associated with the offeror. Those considerations warrant the procurement process being competitive that it complies with the City Charter and the system of its rules.

When a project is awarded, a negotiation concerning the price and work scope of the project shall take price. Eventually a contract is established. The awarded contractor begins its work in accordance with the contract. Figure 3 is a flow chart demonstrating the procurement process for the construction project.

8. WORK PROCESSES FOR A CONSTRUCTION PROJECT

In general, a construction project consists of several processes including engineering design, permitting and inspection process, and the building process.

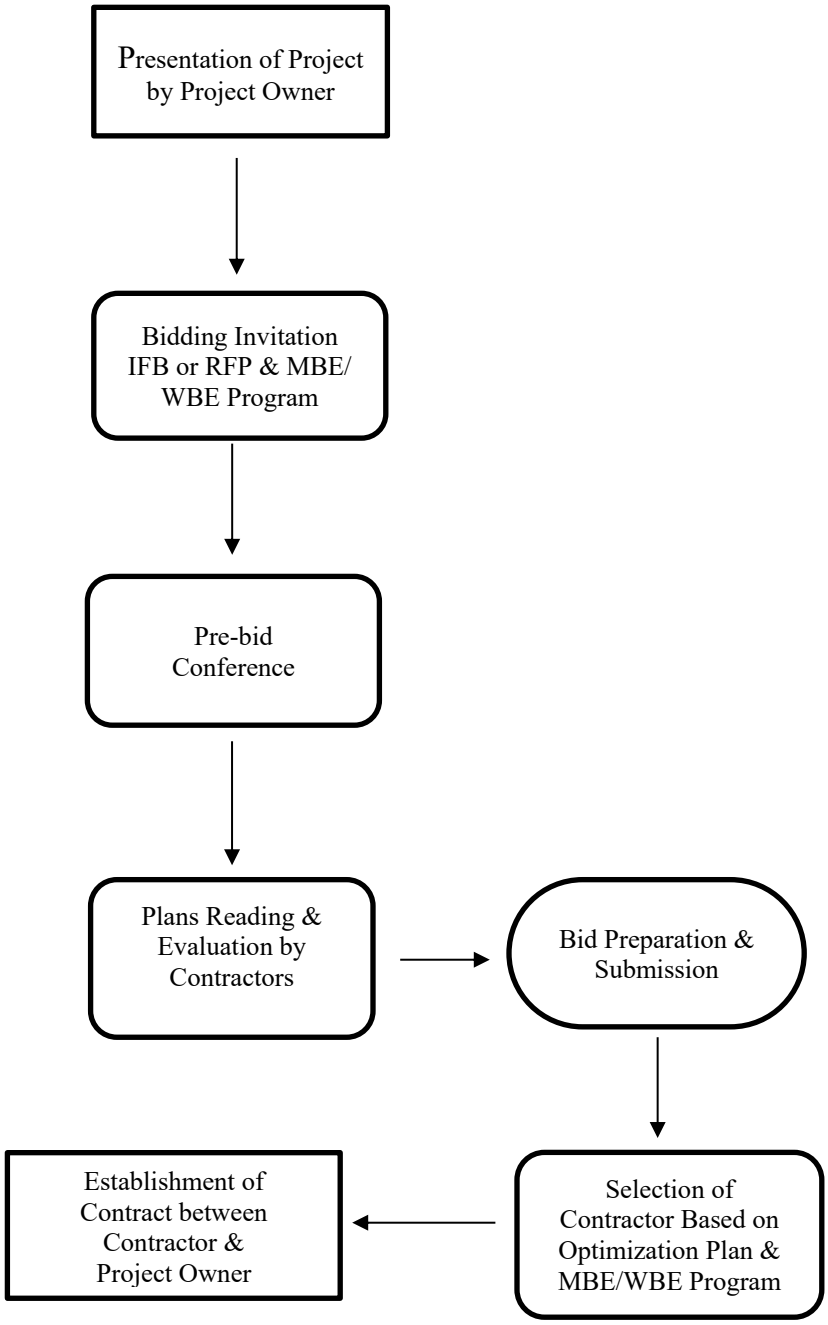

Figure 3. Flow chart of procurement process for a construction project

9. ENGINEERING DESIGN AND CONSTRUCTION PLANS

The process of engineering design is to prepare construction plans (Reference 7, CMU). This process can be demonstrated as follows:

- Define the project that specifies the purpose, scope, and outline of the project.
- Collect data, which may include maps, soil test, utility information, etc.
- Conduct research and find a best solution i.e., prepare draft report and conceptual plans.
- Finalize a set of construction plans; submitting plans for a permit.
- Go through a permitting or review process; the drawing and specifications must follow the land development code of the local authority.
- Revise plans and report upon discussions with the permitting authority.
- Complete report and submit final plans for permit approval.
- Distribute documents in order to invite bids for construction.

The documents consist of an engineering report and a set of construction plans. The report provides information concerning the construction project. It may specify the purpose, scope, and requirements of the project. The construction plans provide information as shown below:

- The project location and a survey of the plat or tract of land to be developed.
- The existing conditions of the land such as its topography and the layout of various utilities and structures.
- A set of site plans, which may include a grading plan, a drainage plan, a structure and utility layout, and the environmental protection plan. The protection plan consists of landscaping, tree protection, and the erosion and sedimentation control measures.
- A set of structural plans which provide the plan views of structures and its related objects. The plans may also show the isometric or three-dimensional pictorials of the structures. In this connection, the details of various cross sections for the structures should be drawn.

Figure 4 is a flow chart for the process of engineering design.

10. THE PERMITTING PROCESS

Permitting refers to the process of granting a permission or license for construction activities. A construction permit is usually required by the authority for a new construction, or a remodeling project that it may impact the life span of a structure (Reference 8, Building Radar)

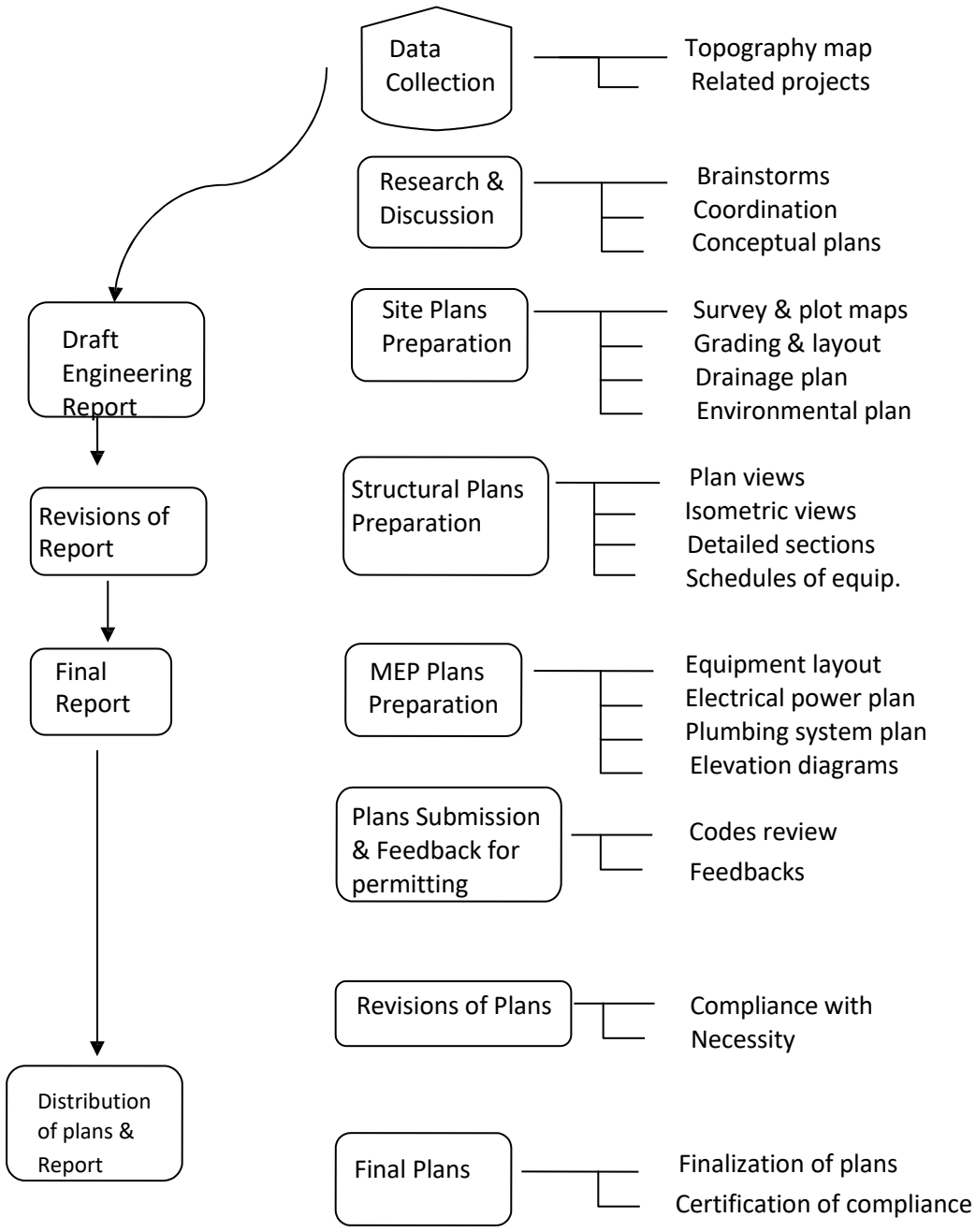

Figure 4. Flow chart of engineering design process for a construction project

(1) Plan Submission and Review

There are several types of construction permits (Reference 9, COA), including but not limited to those of demolition, development, building and "contractor and trade." Development permit is for the approval of a site plan. Building permit refers to the construction of structures and MEP systems (i.e., mechanical, electrical, and plumbing systems). "Contractor and Trade" permits are related to the MEP work and the registration or qualification of the MEP contractors. Following is a detailed description of the permitting process.

- The owner or a representative of the project shall fill out an application form to apply for a general construction permit to the "development service" of the local authority. Other types of permits may be necessary in connection with the construction permit.
- Associated with the applications, it should include a map of plot and a set of construction plans. The plans demonstrate a new construction or a remodeling work, either for residential or commercial/industrial use. A commercial/ industrial project normally requires a permit, no matter how minor the project is.
- The construction plan has to be a complete set, consisting of all the required documents, such as any combination of the plans including map, site, structure, and the MEP systems.
- The development service of the local authority reviews plans and check if the drawings and specifications of the plans comply with the rules of the local authority and whether they are compliant with the land development code of the authority.
- Corrections of plans are mostly necessary during the review process. Plans are successively revised in accordance with the requirements of all rules and codes.
- A general construction permit, a contractor and trade permit, and possibly other permits shall be issued following the final revisions of the plan. Together with the permits, there may be a notice indicating the required inspections for each stage of the construction.

(2) Permitting and Inspection Process for a Remodeling Project

For a remodeling project, submission of partial plans instead of a complete set of plans may be sufficient. For example, a combination of a plot map, a plan view of the structure, and a portion of MEP plans may be sufficient for a permitting process. Description below specifies the permitting and inspection process for the remodeling project:

- A plot map indicates the existing condition and the layout of alterations shall be submitted for review. Additional structural and/or MEP plans are generally necessary in obtaining a construction permit.
- A pre-construction discussion is a good start; but an inspection before the construction may not be necessary.
- Inspections for "new structures" and any related "foundation work" are required before and after their constructions.

- Rough works for MEP systems normally begin with the building process of the new structures. Inspections for the rough work of MEP system are required.
- Final inspections take place when all jobs are complete. A code compliance certificate or certificate of occupancy (CO) shall be issued following the approval of all inspections.

(3) Permitting and Inspection Process for a New Construction Project

An example of a new construction is the implementation of a residential subdivision or a commercial/industrial development. Representative of the project has to submit a complete set of construction plans, which include various sets of drawings such as site surveys, site plans, structural drawings, and MEP system plans. Inspections at several stages of the constructions shall take place. The following description specifies the process of permitting and inspection for the new construction (Reference 10, COA):

- The owner or a representative of the project shall fill out a form to apply for a general building permit. The contractors for the project shall apply for the MEP permits. Other permits such as those of demolition, right of way, etc. may also be necessary.
- A pre-construction discussion and inspection is generally needed for the project
- Additional inspection takes place when the foundation is being set up. At the same time, the site layout and any MPE rough work require inspections.
- The next reviews are inspections of structures including those of framings and site items, MEP works, during and near completion, are subject to further inspections.
- There are final inspections for all items related to the project. These items may include but not limited to buildings, site works, traffic control, and MEP systems.
- Certificate of occupancy or code compliance document shall be issued following the approval of the final inspection.

Figure 5 presents a flow chart of the permitting and inspection process for a construction project.

11. THE ONSITE BUILDING PROCESS

The onsite building process varies depending on the types of construction. There are different constructions such as those of housing, utility, and street improvements. Assuming the targeted site is feasible for construction as determined at the time of engineering design, the project management should establish a work plan which identifies, distributes, and schedules onsite jobs for the project. These jobs include, but not limited to the items as listed below:

- Pinpoint existing utility lines. Identify and establish sites of disposal and routes of transportation. Locate and place equipment such as toilets, temporary disposal, and other removable structures. Temporary use of electricity and water are necessary.

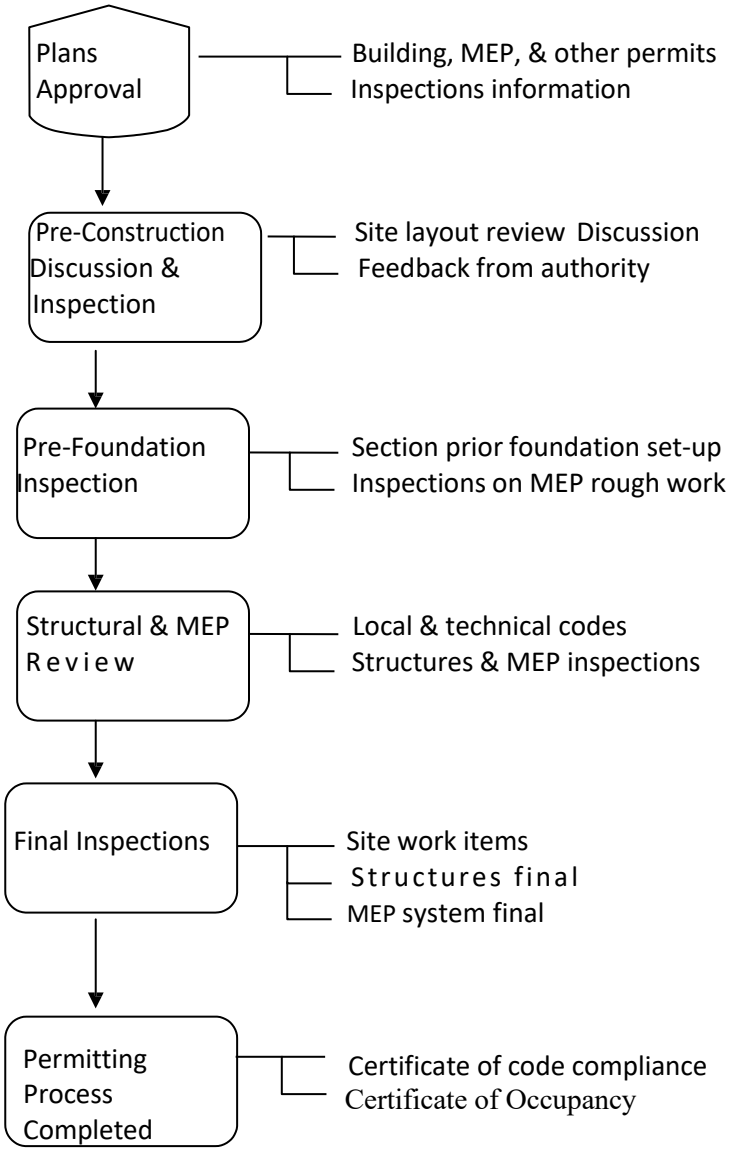

Figure 5. Flow chart of permitting and inspection process for a Construction project

- Set up tree protection and erosion and sedimentation control measures, in accordance with the construction plan. Begin site clearing and demolition of the existing structures, if any.
- Conduct site excavations, cut and fill, according to the layout and grading plans. Site drainage and its facilities are to be implemented.
- Following the implementation of site plans, the priority job is to establish a foundation for the planned structural system. In the meantime, the initial or rough work for the MEP systems should be completed.

12. CONCLUSION

This article presents Asian-related information pertaining to Asian population and Asian contractors in the City of Austin area. It further describes minority certification, procurement for construction, and permitting and inspection processes. This information is useful in assisting Asian contractors to pursue and secure construction projects presented by the government or an organization.

Minority certification is to define the vendor's minority ethnicity or disadvantage status. The main benefit of the certification is to secure a priority access to a project presented by the government. The COA procurement process consists of a centralized management, the registration, an optimized bidding process, and the MBE/WBE program.

A construction project is normally established following the bidding process. The project has several components including procurement, engineering design, and permitting and inspection processes. The design provides construction plans and a report that the contractor can read and build in accordance with these documents. Permits are generally required for the construction project. There are different types of permits such as plan review, site development, building construction, and "Contractor and Trade" permits. Development permit is for the approval of a site plan. Building permit refers to the construction of structures and MEP systems (mechanical, electrical, and plumbing systems). "Contractor and Trade" permits are related to the MEP work and the registration or qualification of the MEP contractors.

Permitting process is closely associated with the inspections which play an important role for the construction project. Inspections take places at different stages of the construction. A "Certificate of Occupancy (CO)" is issued when the final inspection is completed and the construction is approved.

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