



**MBE/WBE and Small Business Council Subcommittee
Minutes**

**Regular Meeting
Tuesday, September 13, 2011**

The MBE/WBE and Small Business Council Subcommittee convened in a regular meeting on Tuesday, September 13, 2011 at 301 W. 2nd Street Room 1101 in Austin, Texas.

Committee Members in Attendance:

Council Member Martinez, Mayor Pro Tem Cole, Council Member Tovo

1. CALL TO ORDER

Council Member Martinez called the meeting to order at 3:08 p.m

2. APPROVAL OF MINUTES

Minutes from the August 9, 2011 regular meeting were approved on 3-0 vote from a motion by Mayor Pro Tem Cole, seconded by Council Member Tovo.

3. CITIZEN COMMUNICATION

There were no citizens signed up to speak.

4. MBE/WBE ADVISORY COMMITTEE REPORT

Monthly report from the Minority-Owned and Women-Owned Business Enterprise (MBE/WBE) and Small Business Advisory Committee regarding its activities and minority-owned and women-owned business enterprise issues

Mr. Lowenberg presented an update from the last regular meeting on September 6, 2011.

5. OLD BUSINESS

a. Update from the Aviation Department regarding the RFQ process for Airport Concessionaires

Amelie Flores, Division Manager, SMBR discussed the Disadvantaged Business Enterprise Program and David Arthur, Assistant Director and Chief Financial Officer, Aviation Department, discussed the RFQ process for concessionaires.

b. Update from Austin Energy regarding the Weatherization Project

Jan Lawson, Director of Business Development and Contract Compliance for Austin Energy, discussed the assignments given to the subcontractors working on the Weatherization Project from the months of June and July.

Council Member Tovo asked for information regarding the process by which assignments to Primes are made and what is done to ensure that the assignments are being made in a fair and equitable manner. Ms. Lawson deferred the question to the project management team on the project.

28:50 on DVD

Council Member Martinez asked what incentives have we tried or do we think might work for getting primes to report back the subcontracting opportunities.

Ms. Lawson said that the only thing she could think of was to attend the mandatory monthly meeting where both primes and subs are required and send the message that this information is being requested by Council, and the Advisory Committee and it must be submitted.

Council Member Martinez asked what role can SMBR play in assisting with getting the requested information.

Ms. Lara said that SMBR can echo the request made by Ms. Lawson and also continuing to review the subk reports that are due to SMBR by the 10th of each month.

Council Member Cole asked if a prime can be bumped down on the rotation list for not providing the information.

Ms. Lara said that this question would have to be referred to the Austin Energy Purchasing staff.

Mr. Mendiola said that while he has not reviewed these particular contracts, typically, the payor can demand information from the payee regarding the contract.

Council Member Cole asked for an update from Austin Energy Purchasing Staff on the penalties for failing to report subcontracting opportunities and do these penalties include removal from the rotation list or non-payment and what are the requirements for this

CITIZEN COMMUNICATION

Alayne Johnson, Austin Area Black Contractors Association, said that monitoring, project assignments, and payments have been big problems for this project. She also said that subcontractors are not working and have no chance if primes are working as subs under other primes. She also stated that because sanctions cannot be enforced on this project, the issues cannot be resolved.

c. Update regarding Third Party Resolution Amendments

Lino Mendiola, Andrews & Kurth, LLC, outside counsel for the City, discussed the Third Party Resolution Amendments and explained that the amendment regarding infrastructure required further discussion.

CITIZEN COMMUNICATION

Paul Saldaña, US Hispanic Contractors Association, said that the definition of “developer participation agreement” needs to be clarified. He also said that staff agreed that when there is a service extension request application, water/wastewater staff should include language encouraging the developer to meet the spirit and intent of the MBE/WBE ordinance. He also said that while this doesn’t reach the community’s main goal of more participation, at least it is a compromise.

Council Member Martinez asked staff and the legal team to consider amending the MBE/WBE Ordinance to say when someone comes in with a service extension request and the City looks at all the work done thus far and there have not been goals established or met, the City will charge a higher fee than those who have established and met M/WBE goals. The extra fees will then go back into the MBE/WBE Program.

Mr. Mendiola said that the general notion of incentives is something that he'd like to explore and would like to examine the issue of fees more closely because they have to be cost based, but the idea of incentives that apply to anything above the basic service could be conditioned.

Council Member Martinez requested that staff, legal counsel and the community meet one more time to continue this discussion.

6. STAFF REPORT

Monthly report from the Small & Minority Business Resources (SMBR) department regarding request for changes

Veronica Briseno Lara, Director- SMBR, presented the request for change report.

7. AGENDA ITEMS

Update from Austin Energy regarding the Weatherization Project.

Update regarding the Third Party Resolution Amendments

8. ADJOURNMENT

Council Member Cole adjourned the meeting at 4:39 p.m.