



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

**Regular Meeting
Tuesday, October 11, 2011**

The MBE/WBE and Small Business Council Subcommittee convened in a regular meeting on Tuesday, October 11, 2011 at 301 W. 2nd Street Room 1101 in Austin, Texas.

Committee Members in Attendance:
Council Member Martinez, Council Member Tovo

1. CALL TO ORDER

Council Member Martinez called the meeting to order at 3:04 p.m

2. APPROVAL OF MINUTES

Minutes from the September 13, 2011 regular meeting were approved on 2-0 vote from a motion by Council Member Tovo, seconded by Council Member Martinez.

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 and Ms. Boeta presented an update from the last regular meeting on October 4, 2011.

CITIZEN COMMUNICATION

Paul Saldaña, US Hispanic Contractors Association discussed the Formula One report presented to the Advisory Committee and that there is an issue that should be looked into regarding the outreach coordinator hired by F1 for this project receiving a \$700,000 contract on the project.

5. STAFF REPORT (this item was taken out of order on the agenda)

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.

6. OLD BUSINESS

a. Discussion and possible action regarding Third Party Agreement Resolution Amendments (this item was taken out of order on the agenda)

Lino Mendiola, Andrews & Kurth, LLC, outside counsel for the City, presented the amended resolution

CITIZEN COMMUNICATION

Paul Saldaña, US Hispanic Contractors Association said that there was an agreement regarding the Third Party Resolution Amendments drafted by Staff and discussed the reasons the additions were requested by the community. He also said that the community believes that the Water Wastewater department staff did not offer any suggestions or alternatives to amending the resolution. He also said that there should be a staff member at Water Wastewater dedicated to the MBE/WBE program as there are in other departments.

Harry Savio, Executive Vice President of the Home Builders Association of Greater Austin, he said that the home building industry employs a large number of minority employees. He said that the Home Builders Association supports the initial staff recommendation that the language of “encourage” be used instead of “shall”.

David Juarez, Assistant Director, Austin Water Utility, said that the department is bound by the Ordinance as it is currently written along with land development code changes at which point the stakeholder group would open up. Currently there is an expectation to achieve MBE/WBE goals as they are set.

Mr. Mendiola also discussed a request made by the advisory committee to include with the approval of this resolution a statement adopted by the subcommittee to say that Austin Water Utility shall review its SER ordinance for possible modifications which will further encourage the use of MBE/WBE firms.

Council Member Martinez made a motion to recommend the revised Third Party Agreement Resolution as presented to the full Council with the direction to provide an attachment that speaks to the SER policies of Austin Energy, Austin Water Utility and all other departments.

Council Member Tovo seconded the motion and it passed on a vote of 2-0 with Mayor Pro Tem Cole absent.

b. Update from Austin Energy regarding the Weatherization Project

Karl Rabago, Vice President, Distributed Energy Services, Austin Energy, presented an update regarding the Weatherization Project.

CITIZEN COMMUNICATION

Carol Hadnot, Austin Area Black Contractors Association, said that she hopes the lessons learned from this project will be used when this program is developed in-house. There have been issues since the project’s inception going all the way back to the RFP with two primes who got the job when they were not certified as required. Another main problem was the issue primes using other primes as subs. She also said that there was no compliance with a model that was supposed to be followed and goals were inconsistent.

Council Member Martinez asked if the City has the authority to prohibit primes from using other primes on projects.

Mr. Mendiola said that the City should be able to include this type of language in the solicitation/contract documents, however he would like to look into it further because it is common for firms to be on one project as a sub and another project as a prime as their business is growing.

Alayne Johnson, Austin Area Black Contractors Association, said that in this situation primes using primes was causing a problem because this is the same project. She also said that this causes more problems because in order to make the work seem more evenly distributed, the two firms have simply been moving assignments between them themselves. She also said that her company has been having an issue with a multi-family housing project as she has not received work orders from Austin Energy to meet her deadlines and sent multiple emails with no response.

8. ADJOURMENT

Council Member Martinez adjourned the meeting at 4:03 p.m.