



**MBE/WBE & SMALL BUSINESS ENTERPRISE PROCUREMENT PROGRAM
RECOMMENDATION 20150407-3C**

Date: April 7, 2015

Subject: Discuss MBE/WBE Contracting Opportunities

Motioned By: Regina Adams

Seconded By: Sheri Marshall

Recommendation

The MBE/WBE and Small Business Advisory Committee recommends to the Austin City Council that they direct the City Manager to consider options for large-scale equipment contracts, such as boilers, chillers, and cooling water towers that are currently furnished and installed by the equipment manufacturer, to be solicited in a manner that would create the opportunity for small businesses, other than the manufacturers of the equipment, to provide the installation services for this equipment in a competitive and equitable manner while also maintaining any manufacturer warranty issues involved with the equipment installation.

Description of Recommendation to Council and Rationale:

Verbal presentations were provided by Minority construction trade associations and small business construction contractors at the March 3, 2015 MBE/WBE and Small Business Advisory Committee (Committee) meeting. The information was presented in light of recently bid and upcoming construction projects sponsored by Austin Energy at the Domain and elsewhere. Representatives from Austin Energy and SMBR were also present at the meeting and participated in the discussions.

From the presentations, it was conveyed that recent construction contracts for both the furnish and installation of large-scale equipment, such as boilers, chillers, and cooling water towers, have been repeatedly awarded to the equipment manufacturer. It was conveyed that this practice of the equipment manufacturer of the large-scale equipment bidding to both furnish and install the equipment has left MBE/WBE small business installation contractors at an unfair disadvantage when competitively bidding the installation of the large-scale equipment.

The Committee envisions that more detailed conversations for the purposes of the aforementioned Recommendation would include, at a minimum, City Staff from Austin Energy, Purchasing, and SMBR, and that these conversations would remain focused on large-scale equipment such as boilers, chillers, and cooling water towers, in light of the recent and upcoming bid opportunities for projects sponsored by Austin Energy at the Domain and elsewhere.

Vote

For: Anne Harutunian, Regina Adams, Sheri Marshall, Thomas Walker

Against: -

Abstain: -
Absent: Barbra Boeta, Schiller Liao

Attest: *[Staff or board member Signature]*


