

HUB Program Goals Review: 2017 Bond Lessons Learned

May 2023



Background, Timeline and Methodology

Interim Superintendent approves search for HUB process assessors led by the Equity Office in alignment with 2022 Bond campaign

October 12th
Public information session to discuss goals for equity in contracting in 2022 Bond and review of 2017 Bond practices, **opened public survey**

November 8th
Historic \$2.44 billion bond passes

2017

Austin ISD implements a \$1 billion bond program focused on school modernization, targeted construction & other districtwide improvements

Aug
2022

Sept
2022

HUB Program Director initiates 2017 Bond Construction lessons learned in preparation for the proposed \$2.44 billion 2022 Bond campaign

Oct
2022

October 31st
Survey closes with **50 respondents**

Nov
2022

Conduct interviews with 16 companies and 5 AISD team members

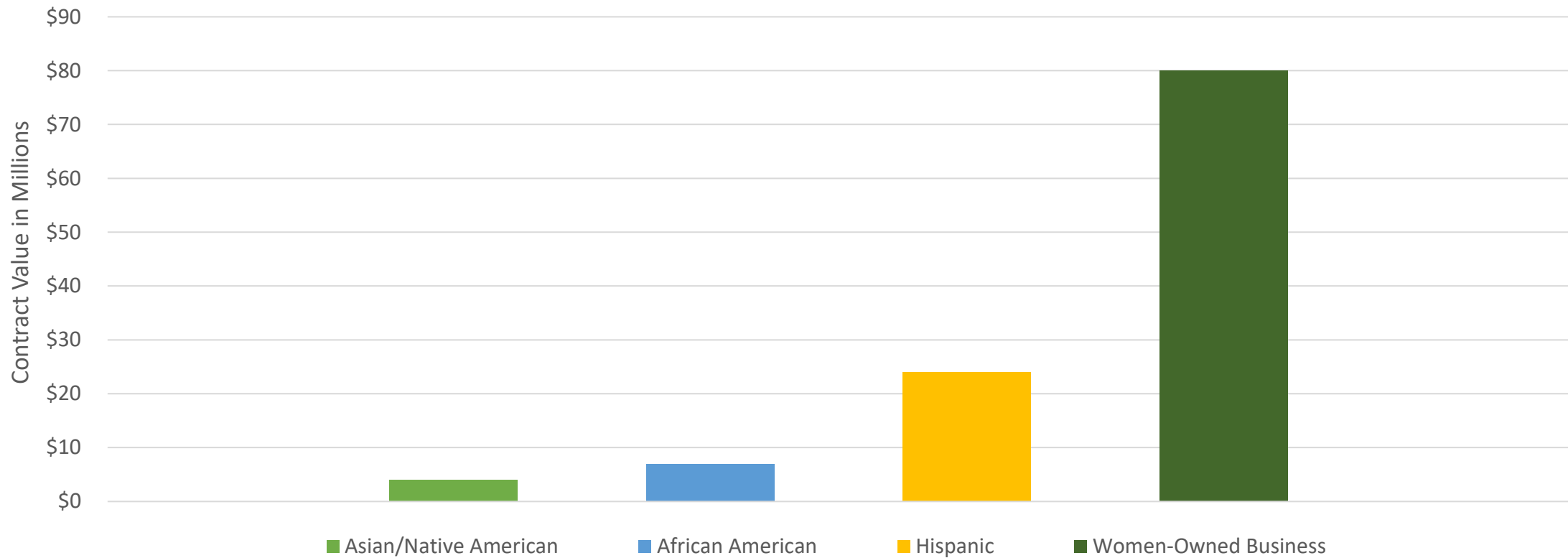
Dec
2022

Complete analysis of **136 projects** within 2017 Bond

Finding 1.a

Austin ISD did not meet its overall HUB goal. Only the WBE subgoal was met.

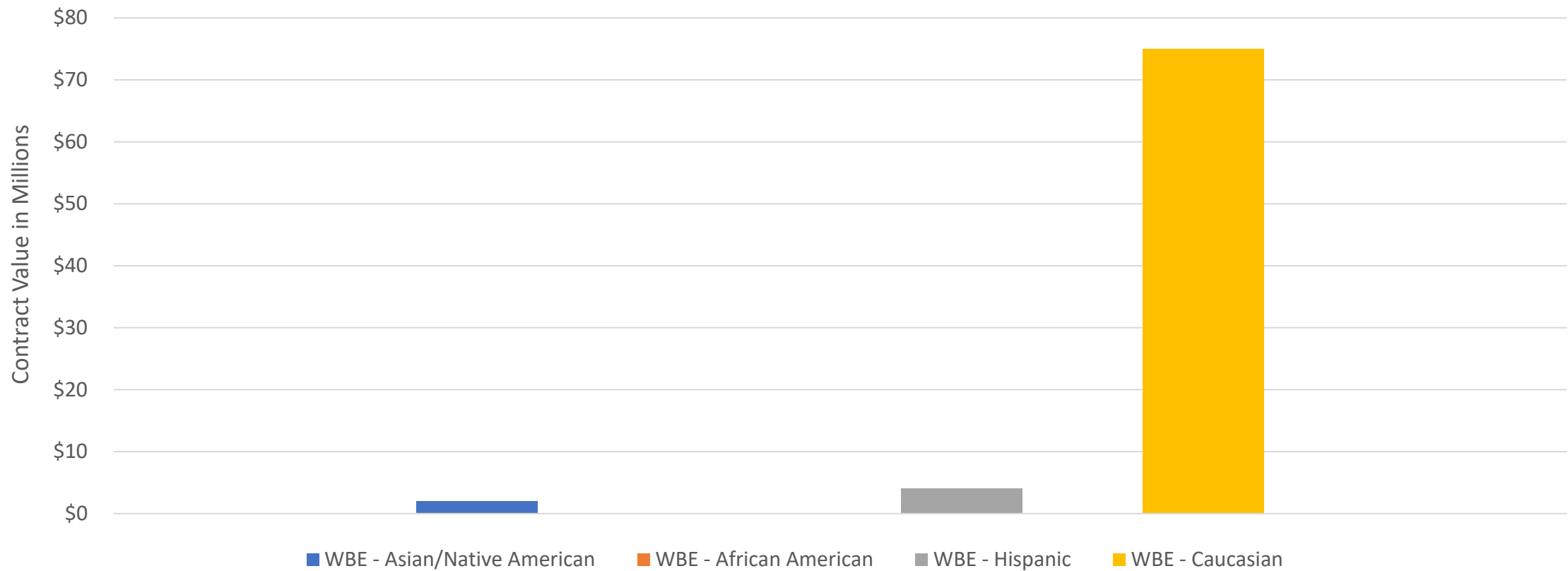
Exhibit 1: Women-Owned Businesses (WBEs) Account for 69% of the HUB Participation on 2017 Bond Construction Projects



Finding 1.b

\$5 million of the \$80 million in contracts awarded to WBEs went to minority women owned businesses. No business owned by African American women were awarded contracts.

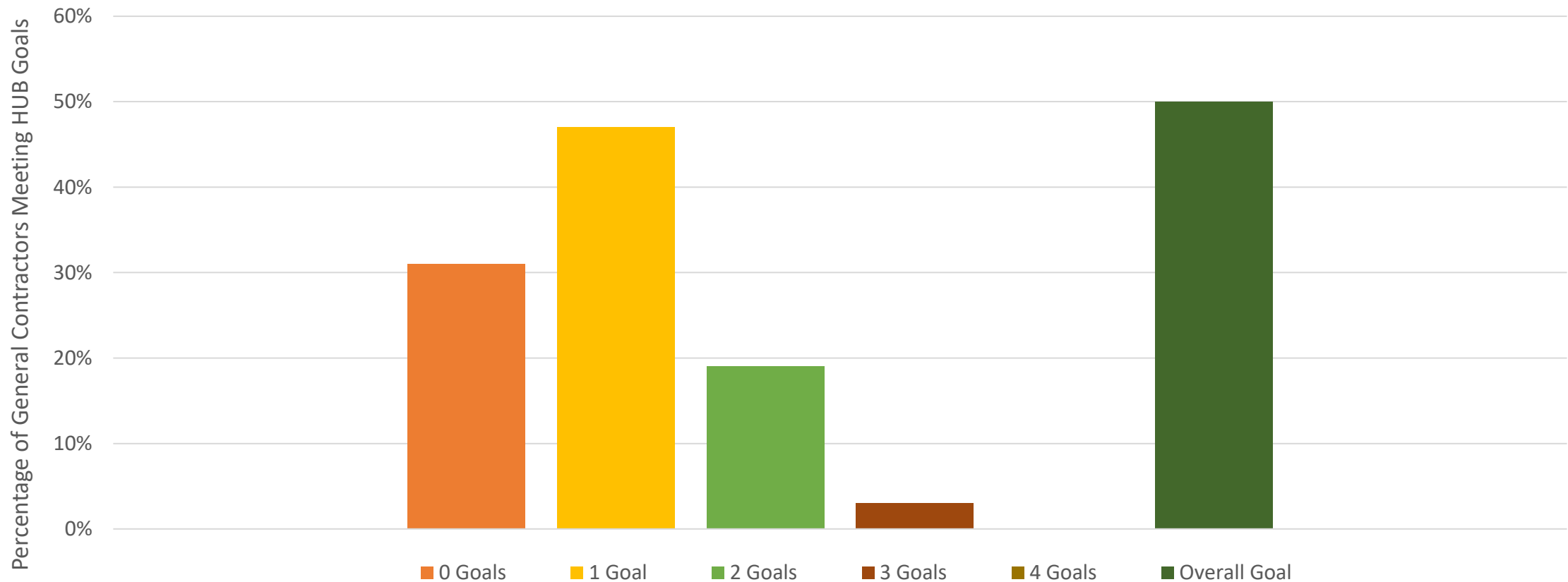
Exhibit 2: Caucasian WBEs Account for 93% of All WBE Participation on 2017 Bond Construction Projects



Finding 1.d

Half of the 32 General Contractors awarded 2017 Bond Projects met the overall HUB goal of 21.9% HUB participation. No General Contractor met all individual ethnic and WBE HUB goals. Ten (10) firms did not have any HUB participation.

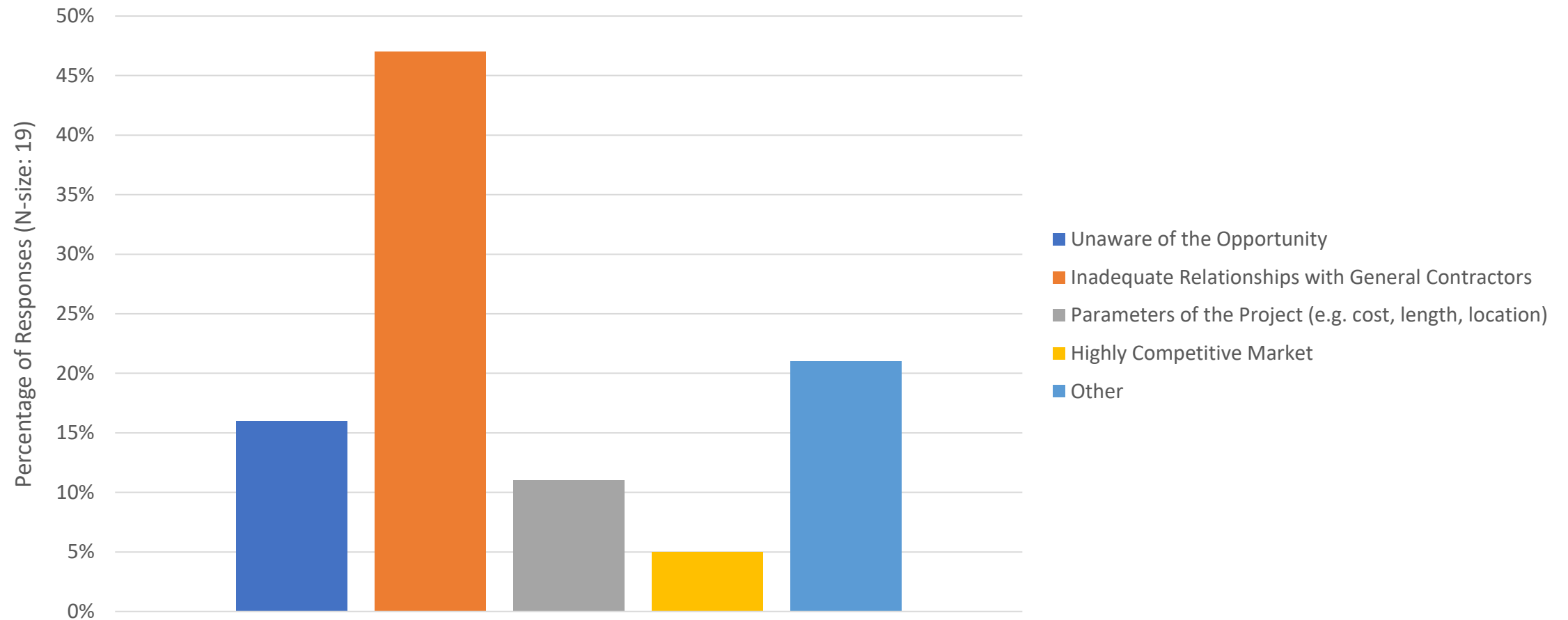
Exhibit 6: On 2017 Bond Construction Projects, Only 22% of General Contractors Achieved More Than 1 HUB Goal



Finding 2

The current procurement and contracting process has few incentives to encourage General Contractors to subcontract with HUBs on construction projects.

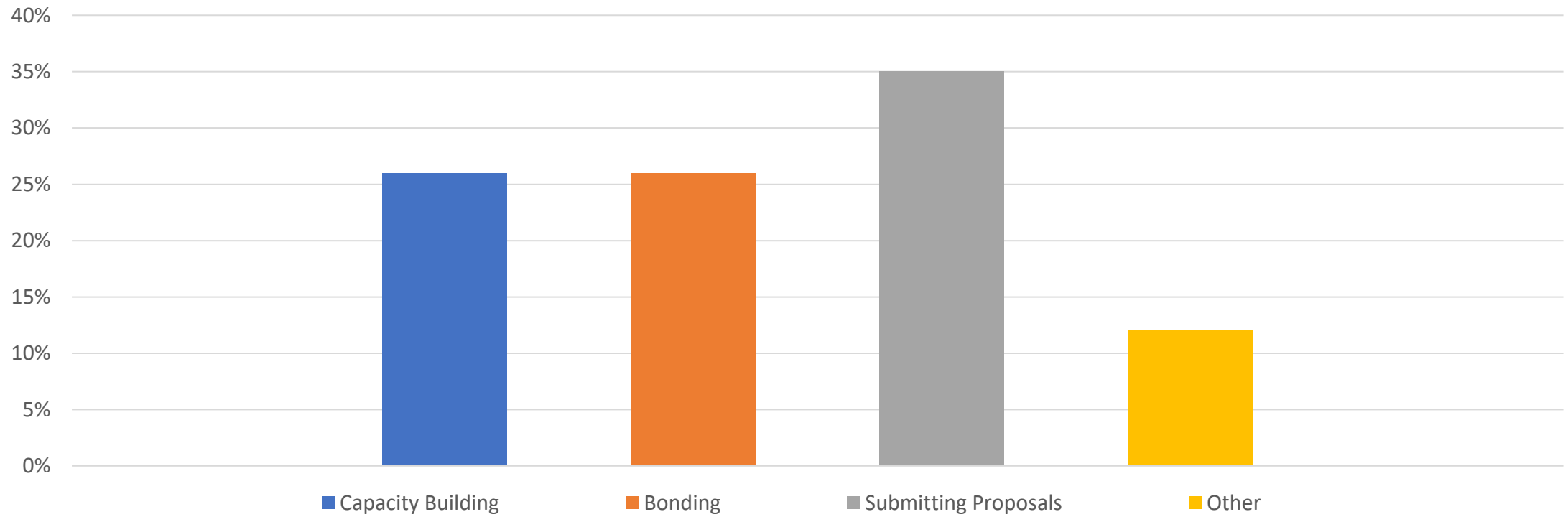
Exhibit 9: What is the most significant barrier to winning construction contracts with Austin ISD?



Finding 4

Current networking opportunities are falling short, and HUBs would benefit from upskilling training and technical assistance.

Exhibit 10: HUBs are Interested in Receiving Training in Key Aspects of Bidding and Procurement

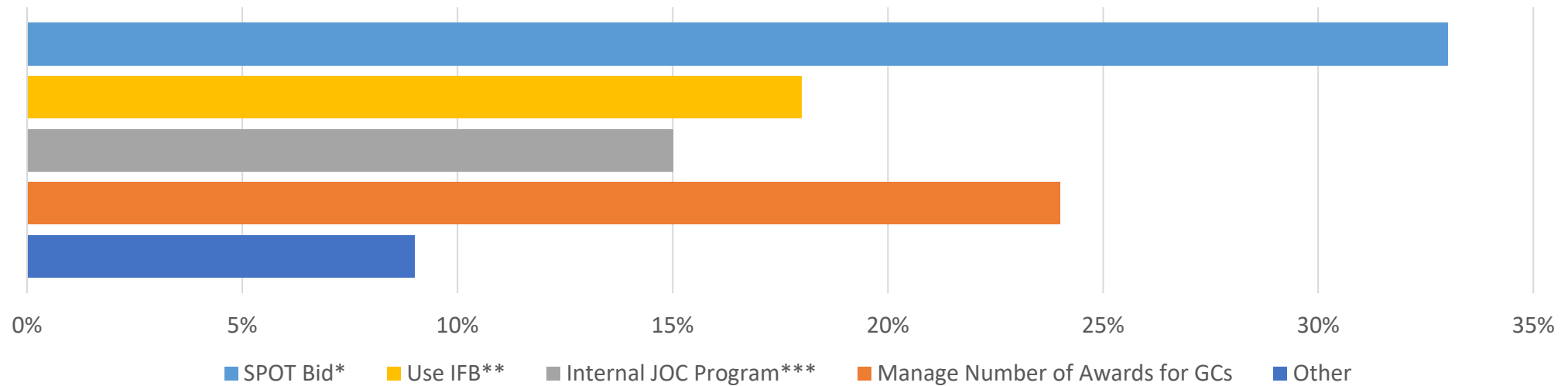


Recommendations

Training

Invest in capacity-building aimed at strengthening HUBs' skills to compete for projects.

Exhibit 11: What strategies to improve procurement for HUBs would you find most useful?



*SPOT Bid: A method of simplified sourcing where bids are examined, and awards are made, or bids rejected on the spot.

**Invitation for Bids (IFB): The purpose of competitive bidding is to stimulate competition and obtain the lowest practical price for the work, service and/or items needed. The competitive bidding process requires that bids be evaluated, and awards made based solely upon bid specifications, terms and conditions contained in the request for bids document, and according to the bid prices offered by vendors and pertinent factors that may affect contract performance. The advertisement for bids, description in the invitation for bids of items, work and/or services and specific terms and conditions must be done in a manner that stimulates competition and obtains the lowest practical price.

***Job Order Contract (JOC) A contract for a fixed term or maximum dollar value, whichever occurs first, in which a contractor is selected based on a competitive bid to perform various separate job orders in the future, during the life of the contract.

Recommendations

Access

Unbundle construction projects to assist HUBs in bidding as General Contractors where possible.

Connection

Create a plan to foster relationships among HUBs, General Contractors, and Austin ISD stakeholders.

Accountability

Develop a more robust compliance system for General Contractors to involve HUBs in construction projects.

Recommendations

Support

Develop a mentor-protégé system that incentivizes General Contractors to support and collaborate with HUB firms on construction projects.



Reinforce

Develop and implement a HUB Direct Contact Request process.

Next Steps



Collaborate with construction management to develop a strategy in response to findings and recommendations.



Consider expanding procurement delivery options to mitigate challenges for HUBs to compete for large-scale construction contracts.



Examine local policy to ensure adequate accountability measures are in place to successfully administer the HUB Program.