



ABCA NEWSPPOINTS

June 2016 | Volume 42

ABCA Spotlights City of Austin Capital Contracting Office Contract Relations Consultants

Thank You City of Austin
 Capital Contracting Office Presenters
Matt Duree, Contract Relations Consultant •
Ed Campos, Contract Relations Division Manager •
Vince LeMond, Contract Relations Consultant
 for your outstanding presentations to the
 Austin Area Black Contractors Association member's on
Construction
Alternative Project Delivery Methods
 focusing on Construction Manager At Risk,
 Job Order Contracting and future contracting
 opportunities under these methods.



Photos by: Juan Oyervides,
United Hispanic Contractors Association de Austin

On April 20, 2016, the Austin Area Black Contractors Association hosted two interactive training sessions at the Holiday Inn-Midtown's Training Center. The training topic was "Construction Alternative Delivery Methods". Session I focused on Construction Management At Risk (CMR) and Session II on Job order Contracts (JOC). Additionally, a briefing on Competitive Sealed Proposals (CSPs) was also covered. The City of Austin Capital Contracting Office Matt Duree, Contract Relations Consultant, Ed Campos, Contract Relations Division Manager, and Vince LeMond, Contract Relations Consultant served as the training instructors for these sessions. The instructors encouraged interactive participation from the attendees.

"All participants were pleased and accolades for the presenters were at its highest".

The ABCA thanks the following participants who attended these sessions: Teresa Thomas Smith, SMITCO Concrete Construction; Cloteal Davis Haynes, Haynes Eaglin Waters, LLC; Juan Oyervides, United Hispanic Contractors Association; Calvin Williams and Ronda Houston, ZLynx Enterprise, Inc.; Herman Johnson, Alayne Johnson, Nancy Almandariz, Joe Almandariz, All Points Inspection Services, Inc.; Hale Hawkins, Austex Tree Services, LLC; and Carol S. Hadnot, Business Resource Consultants.

Note: *Your may view or download the "Construction Alternative Delivery Methods" training materials uploaded on ABCA's Website (www.abcatx.com).*



**E-mail To: Rosie Truelove, Officer
 City of Austin, Capital Contracting Office**

On behalf of the Austin Area Black Contractors Association (ABCA), I would like to express our appreciation for your assistance in providing training on "Construction Alternative Project Delivery Methods" on this past Wednesday evening. Vincent, Matt and Edward did an excellent job in explaining the Delivery Methods and responded to the questions posed professionally, demonstrating the utmost respect and patience for those in attendance. It is the intent of the AABCA to provide support and technical assistance for our members to help them to successfully pursue projects. The service graciously rendered by you and your colleagues greatly helped us on this journey.

Thank you so much!

Carol S. Hadnot
 Program Manager / Consultant
 Austin Area Black Contractors Association, Inc.

Contract Enhancement Programs for City Certified MBE/WBEs

PARTIAL PAYMENT

Section 700, General Conditions 14.4.3

In instances when payment is withheld to the prime contractor due to issues unrelated to a subcontractors work, the subcontractor may request payment for approved work performed by the subcontractor. If the request is approved, the City will approve payment from the prime contractor to the subcontractor.

SUBCONTRACTORS MAY REQUEST PARTIAL PAYMENT WHEN THE OWNER WITHHOLDS PAYMENT OF AN INVOICE TO THE CONTRACTOR FOR ANY REASON LISTED IN SECTION 14.4.1. IF PAYMENT IS WITHHELD BY THE OWNER, THE CONTRACTOR SHALL NOTIFY ALL AFFECTED SUBCONTRACTORS WITHIN TWO (2) WORKING DAYS OF NOTICE THAT PAYMENT IS BEING WITHHELD. UPON NOTIFICATION, SUBCONTRACTORS MAY SUBMIT A FORMAL WRITTEN REQUEST FOR PARTIAL PAYMENT TO THE CONTRACTOR AND OWNER. IF DIRECTED BY THE OWNER, THE CONTRACTOR SHALL WITHIN THREE (3) WORKING DAYS RESUBMIT TO THE OWNER AN INVOICE FOR THE SAME PERIOD THAT INCLUDES ONLY THE WORK PERFORMED BY THE REQUESTING SUBCONTRACTORS DURING THIS PERIOD. THE OWNER WILL REVIEW THIS RESUBMITTED INVOICE IN ACCORDANCE WITH SECTION 14.3.1. UPON RECEIPT OF PAYMENT FOR THE RESUBMITTED INVOICE, CONTRACTOR SHALL PAY THE SUBCONTRACTOR WITHIN TEN (10) CALENDAR DAYS IN ACCORDANCE WITH SECTION 6.4.7.

APPLICATION PROCESS

- Step 1.** Requests for Partial Payment will only be approved when there are no issues relating to Subcontractor's work. If an invoice is submitted for three scopes of work and the first two are approved, but the third one is not, the first two will be paid and the third will not be paid until it is approved by the City.
- Step 2.** Contractor will submit invoice for payment to the City. To confirm payment, a subcontract can go to Austin Finance Online (<https://www.austintexas.gov/financeonline/finance/index.cfm>) or contact the project manager assigned to the project.
- Step 3.** If Payment is withheld, Contractor is required to inform all affected subcontractors in writing, within two (2) working days of receiving notice, that payment is being withheld by the City.
- Step 4.** When Subcontractor has received notification from Contractor, Subcontractor may submit a formal written request for Partial Payment to Contractor and the City.
- Step 5.** If the City approves request, Contractor must resubmit an invoice, *within three (3) working days*, for the same period to include only the work performed by Subcontractor (s) requesting Partial Payment, in accordance with Section 14.3.1.
- Step 6.** Within ten (10) calendar days of Contractor receiving payment of resubmitted invoice, Contractor shall pay Subcontractor (s) in accordance with Section 6.4.7.
- Step 7.** At any time, Subcontractor may contact the Capital Contracting Office (CCO), the project manager or the Small and Minority Resources Department (SMBR) for assistance with Partial Payment process. All three of the parties will work to resolve any issues. The project manager will approve payment.

RELEASE OF RETAINAGE

Section 700, General Conditions, 14.1.5

A subcontractor may request the release of retainage for work that has been completed, approved and the warranty period for that scope has expired but prior to the completion of the project. If the request is approved, the amount of the subcontractor's retainage will be released in the prime contractor's next payment.

EITHER CASE, IF THE WORK IS NEAR COMPLETION AND DELAY OCCURS DUE TO NO FAULT OR NEGLIGENCE OF CONTRACTOR, OWNER MAY PAY A PORTION OF THE RETAINED AMOUNT TO CONTRACTOR. CONTRACTOR, WHERE THE ORIGINAL CONTRACT AMOUNT IS LESS THAN \$400,000, OWNER WILL PAY CONTRACTOR TOTAL AMOUNT OF APPROVED APPLICATION FOR PAYMENT, LESS TEN PERCENT (10%) OF AMOUNT THEREOF, WHICH TEN PERCENT (10%) WILL BE RETAINED UNTIL FINAL PAYMENT, LESS ALL PREVIOUS PAYMENTS AND LESS ALL OTHER SUMS THAT MAY BE RETAINED BY OWNER UNDER THE TERMS OF THIS AGREEMENT. WHERE THE ORIGINAL CONTRACT AMOUNT IS \$400,000 OR MORE, OWNER WILL PAY CONTRACTOR TOTAL AMOUNT OF APPROVED APPLICATION FOR PAYMENT, LESS FIVE PERCENT (5%) OF AMOUNT THEREOF, WHICH FIVE PERCENT (5%) WILL BE RETAINED UNTIL FINAL PAYMENT, LESS ALL PREVIOUS PAYMENTS AND LESS ALL OTHER SUMS THAT MAY BE RETAINED BY OWNER UNDER THE TERMS OF THIS AGREEMENT. IN AT OWNER'S OPTION, MAY BE RELIEVED OF THE OBLIGATION TO COMPLETE THE WORK AND, THEREUPON, CONTRACTOR SHALL RECEIVE PAYMENT OF THE BALANCE DUE UNDER THE CONTRACT SUBJECT TO THE CONDITIONS STATED UNDER PARAGRAPH 15.2. A SUBCONTRACTOR MAY SUBMIT A WRITTEN REQUEST TO THE CONTRACTOR AND PROJECT MANAGER REQUESTING RELEASE OF RETAINAGE FOR WORK BY THE SUBCONTRACTOR THAT HAS BEEN COMPLETED AND APPROVED. THE PROJECT MANAGER WILL EVALUATE THE REQUEST AND IF IT IS APPROVED, THE PROJECT MANAGER WILL REQUEST THE CONTRACTOR TO INCLUDE THE REQUEST FOR RELEASE OF AN APPROPRIATE AMOUNT OF RETAINAGE IN THE NEXT PAY APPLICATION.

14.1.6 APPLICATIONS FOR PAYMENT SHALL INCLUDE THE FOLLOWING DOCUMENTATION:

- .1 UPDATED PROGRESS SCHEDULE;
- .2 MONTHLY SUBCONTRACTOR REPORT;
- .3 ANY OTHER DOCUMENTATION REQUIRED UNDER THE SUPPLEMENTAL GENERAL CONDITIONS.

APPLICATION PROCESS

- Step 1:** Subcontractor should verify participation eligibility in Release of Retainage Program with Project Manager and Contractor.
 - Eligibility will be contingent upon the sequence of work and the degree the Subcontractors scopes are tied to work remaining on the project.
- Step 2:** If eligibility is verified by Project Manager, Subcontractor may only request Release of Retainage after completion and approval of work.
- Step 3:** Subcontractor will submit written request for Release of Retainage to Contractor and Project Manager.
- Step 4:** Request will be evaluated by Project Manager.
- Step 5:** If approved, Project Manager will request Contractor to include Subcontractor's appropriate retainage amount to be included in next pay application.
- Step 6:** Contractor must include the following documents in pay applications:
 - Contractor's Updated Progress Schedule,
 - Contractor's completed Monthly Subcontractor Expenditure Report (SubK),
 - Any other documentation required under the Supplemental General Conditions.
- Step 7:** At any time, Subcontractor may contact the Capital Contracting Office, Small and Minority Business Resources, or the Project Manager for assistance with Release of Retainage process.

Contract Enhancement Programs for City Certified MBE/WBEs

MOBILIZATION PROMPT PAY PROGRAM

Section 810, Supplementary Conditions (Word)

The goal of the Mobilization Prompt Pay Program (MPP) is to provide prime contractors and subcontractors quicker access to payments by allowing prime contractors the ability to submit pay applications twice a month during critical mobilization phases on the contract (as submitted by the prime contractor and approved by the City), allowing subcontractors to invoice twice per month. MPP will be offered on all City of Austin construction contracts at or above \$2 million.

ARTICLE 1 – DEFINITIONS “MOBILIZATION PROMPT PAYMENT PROGRAM - THE OWNER’S MOBILIZATION PROMPT PAYMENT PROGRAM, WILL ALLOW BIMONTHLY PAYMENTS DURING “CRITICAL MOBILIZATION STAGES” AS SPECIFIED IN THE CONTRACT DOCUMENTS BY THE PRIME CONTRACTOR. THE MOBILIZATION PROMPT PAYMENT PROGRAM WILL ONLY APPLY TO PROJECTS WITH A CONSTRUCTION COST OF GREATER THAN \$2,000,000.”

ARTICLE 2 – THE BASELINE SCHEDULE AND SCHEDULE SUBMITTALS FOR PROJECTS IN THE MOBILIZATION PROMPT PAYMENT PROGRAM, MUST IDENTIFY PERIODS OF “CRITICAL MOBILIZATION.” THE PERIODS OF CRITICAL MOBILIZATION WILL INCLUDE THE FIRST TWO MONTHS OF THE CONTRACT TIME AND ADDITIONAL PERIODS IDENTIFIED BY THE CONTRACTOR AND APPROVED BY OWNER WHEN PEAK SUBCONTRACTOR MOBILIZATION WILL OCCUR.

ARTICLE 14 – MOBILIZATION PROMPT PAYMENT PROGRAM. DURING CRITICAL MOBILIZATION PERIODS, AS IDENTIFIED BY THE CONTRACTOR AND AS APPROVED BY OWNER IN ACCORDANCE WITH 00700 2.4.2.1 OF THIS CONTRACT, CONTRACTOR SHALL SUBMIT BI-MONTHLY APPLICATIONS FOR PAYMENT. THE ADDITIONAL PAY APPLICATIONS WILL INCLUDE ANY COSTS ACCRUED DURING THE PERIODS OF CRITICAL MOBILIZATION. THE PROGRAM WILL ALLOW THE CONTRACTOR AND SUBCONTRACTORS TO INVOICE FOR COSTS AS THEY ARE ACCRUED DURING PERIODS OF CRITICAL MOBILIZATION. THE CONTRACTOR SHALL SUBMIT BIMONTHLY INVOICES TO THE OWNER FOR SUCH COSTS. THE CONTRACTOR SHALL PAY SUBCONTRACTORS FOR COSTS WITHIN 10 DAYS OF RECEIPT OF PAYMENT FROM OWNER.

APPLICATION PROCESS

- Step 1:** Contractor identifies period of critical mobilization and submits them to the Project Manager for approval.
- Step 2:** Project Manager, on behalf of the owner, approves the critical mobilization periods.
- Step 3:** During such periods, Contractor will submit bimonthly pay applications to the City. Bimonthly pay applications should include costs accrued by Contractor and Subcontractor (s).
- Step 4:** Upon receipt of payment from the City, Contractor must pay Subcontractor (s) within ten (10) days, in accordance with the contract.
- Step 5:** At any time, Subcontractor may contact Capital Contracting Office (CCO), SMBR, and/or Project Manager for assistance with Mobilization Prompt Pay process.

QUICK PAY PROGRAM

The Quick Pay Program (QPP) allows for subcontractors to be paid within 10 days of work being accepted and approved by the City. The subcontractor invoices the prime contractor when their work is complete and the prime contractor pays the subcontractor when it is approved by the project manager or the construction inspector, depending on the project specifications. The QP program will be available to all businesses that are certified by the City of Austin’s Small & Minority Business Resources (SMBR) department as MBEs, WBEs, DBEs, or SBEs on all (eligible) Alternative Delivery Method construction contracts (Design Build and Construction Manager At-Risk).

For more information - Visit the Bidding Requirements, Contract Forms and Conditions of the Contract in Section 00700 General Conditions of the Contract which is found on the Capital Contracting Office’s website at the following address:

<http://www.austintexas.gov/page/bid-docs>

APPLICATION PROCESS

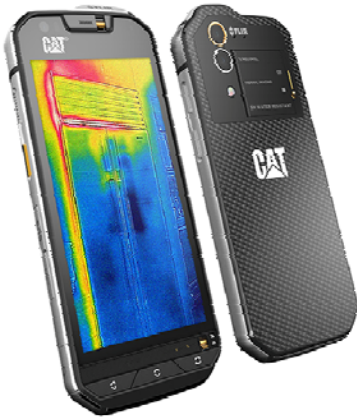
- Step 1:** SMBR determines QPP eligibility of subcontractors.
- Step 2:** If eligibility is verified, Subcontractor may submit invoice to Contractor after completion of work.
- Step 3:** Contractor will submit invoice to Project Manager.
- Step 4:** Project Manager and/or Inspector (s) reviews and approves Subcontractor’s work. The approval role will vary by contract.
- Step 5:** If work is approved and accepted by the City, the Contractor pays the Subcontractor.
- Step 6:** The Contractor submits the work on the next regular pay application and is reimbursed by the City.
- Step 7:** At any time, Subcontractor may contact Capital Contracting Office (CCO), SMBR, and/or Project Manager for assistance with Quick Pay Program.

Note: A specific process for Quick Pay will be developed for each contract between the City and the Prime Contractor.

The Minority Contractors Trade Association Alliance (MTA), comprised of the Asian Contractor Association, Austin Area Black Contractor Association and the United Hispanic Contractor Association de Austin, worked tirelessly over the past year and half with assistance the City of Austin Small and Minority Business Resources; Capital Contracting Office; Public Works and the Law departments on the abovementioned enhancement initiatives. These initiatives will greatly aide City of Austin Certified Minority and Women Contractors who are doing business as a subcontractor on City construction projects.

Familiarize yourself with these contract enhancement procedures and KEEP HANDY to aide your business when doing business with the City of Austin.

Technology!



Rugged Smartphone Includes Thermal Imaging Camera

The new Cat S60 smart phone is similar in some ways to the equipment manufacturer's heavy machinery: It is water resistant and has a shock-resistant steel frame. But this phone, which debuted last month at the Mobile World Congress in Barcelona, boasts a factory equipped thermal imaging camera, something novel to both heavy equipment and mobile devices. "We are the first cell phone to incorporate a regular digital camera and an infrared camera," says Phil Raso, program manager, brand licensing, at Peoria, Ill.-based Caterpillar. "There's a lot of Cat DNA in the phone. The ruggedness and toughness," he says. But Cat's involvement doesn't extend beyond branding and marketing, he adds. Bullitt Group Ltd., New York City, which manufactures the phone, also licenses the Cat brand. The thermal imaging camera is powered by FLIR Systems' Lepton microcamera module and the FLIR @Work app that comes pre-installed on the device. **The sensor functions up to 100 ft away, through both smoke and darkness, says Rasco. Further, it can sense heat differentials as low as 2°F.** The

infrared sensor has a raw resolution of 80 x 60 pixels but, used in conjunction with the phone's 13-megapixel digital camera, it can create 640 x 480 pixel thermal images. Raso says **some uses for the tool include locating a hot water leak or lack of insulation through a wall. "You can hold it up to a window to see where cold air is coming in," he says. "The thermal imaging camera can also tell you the propane level on a propane tank."** The S60 shoots digital and thermal video underwater, down to 15 ft. Users must close the port covers on the phone to ensure waterproofing; if the flaps aren't closed, the phone is water resistant to only 6 ft. Raso says the S60 is built tough: It's designed to withstand a 6-ft drop onto concrete. Its touch screen is built to work well with gloves or wet fingers. The Cat S60 runs on Android's Marshmallow operating system, sports 32GB of internal storage and a 3,800-mAh battery, and costs \$599. Raso says **an unlocked version is coming out this summer in Europe and hitting the U.S.A.**



As Austin's black population falls, a question of representation rises

By Jody Seaborn - American-Statesman

African-Americans once represented about 15 percent of Austin's overall population, but over the past few decades, the city's black population has decreased steadily as African-Americans have moved outside Austin. Today, the African-American share of Austin's population is 7 percent, according to city estimates. Eric Tang, a professor of African and African Diaspora Studies at the University of Texas, produced an attention-grabbing report two years ago which found that Austin, despite growing 20.4 percent between the 2000 and 2010 censuses, was the country's only large, fast-growing city to record a decline in its black population: 5.4 percent, from 64,259 in 2000 to 60,760 in 2010. With the help of UT doctoral student Bisola Falola, Tang recently produced a new report asking African-Americans who have moved to the suburbs why they left Austin. I won't dwell on Tang and Falola's results, which the American-


Statesman's Dan Zehr covered last week, other than to note that a majority of African-Americans — 56 percent — said they left Austin because they no longer could afford to live in the city. Many said they would move back if they could. The significance of this "outmigration?" The report briefly goes over several noteworthy effects on those who have left Austin. Public amenities and services often are harder to access in the suburbs than they are in the city. People feel a loss of community and a sense of social disconnection as they move from neighborhoods where their families have lived for generations. Economic segregation worsens, further weakening economic mobility. These effects frequently are discussed and debated in stories about Austin's declining African-American population. But there is one effect that often is overlooked. It is worth revisiting, for it will be much discussed in about five years, when it becomes clear how the African-American migration from Austin to the suburbs potentially affects the makeup of the Austin City Council. One of the main reasons the City Council has 10 members is because 10 was the minimum number needed when the district-based council was created in 2012 to draw a district in which

black voters would have an opportunity to elect an African-American council member. Yet, even with 10 districts, creating an African-American opportunity district was barely possible given the movement of African-Americans out of Austin. The best the independent commission that drew the new districts could do was District 1 in East and Northeast Austin. District 1 is — or rather was at the time of the 2010 census, 28.2 percent African-American. If drawing an African-American opportunity district was barely possible a couple of years ago, it might be impossible when new district boundaries are drawn after the 2020 census. Sure, an African-American can be elected in any district and does not have run in District 1. And after the U.S. Supreme Court invalidated part of the Voting Rights Act in 2013, the need to create a black opportunity district may no longer be felt. But if the city wants to maintain council diversity and continue to give its remaining African-Americans a chance to elect one of their own, it will face some tough choices. Either voters will have to be asked to increase the number of council districts to make it possible to draw an African-American opportunity district, or they will have to be asked to add

a couple of at-large seats to the council. Either way, it's conceivable that a version of the so-called gentlemen's agreement that designated one seat on the old at-large council for an African-American member will have to be revived for the district-based council. Or, it's conceivable Austin's African-American population will have shrunk so much the city will have to consider a different question: At what low percentage point does a group's numbers no longer justify gerrymandering a district to give them an opportunity to elect their own council representative? And deciding the answer to this question will have to occur against a different group's rapid growth: Asian-Americans were 6.8 percent of the city's population in 2014, according to city estimates. This was just below African-Americans' 7 percent. Given current trends, Austin's Asian-American population will be greater than its black population after the 2020 census. Asian-Americans are widely dispersed throughout the city, but they made up 13.3 percent of District 6, in Northwest Austin, in 2010. When new districts are drawn after 2020, shouldn't the next opportunity first be theirs?



Get **CERTIFIED** with the City of Austin as a MBE, WBE or DBE. Call the — Small & Minority Business Resources Dept (SMBR) Certification Division at:
512-974-7645



The Austin Area Black Contractors Association is reaching out to all African American Construction Contractors located in *Travis, Hays, Williamson, Bastrop and Caldwell counties* to get MBE/WBE/DBE certified with the City of Austin.

Additionally, check-out ABCA's website at www.abcatx.com

- view calendar of events •
- training curriculums •
- tool box tips guide •
- newspoint newsletters •

summary of upcoming construction opportunities advertised weekly in the on-line Bid Briefs!

For More Information, Call 512-467-6894



publication of the Austin Area Black Contractors Association Quarterly, June 2016 Edition
Volume 42

www.abca.tx.com
512-467-6894, office | 512-467-9808, fax
E-mail: brc-pro@att.net

Publisher:
Business Resource Consultants,
Program Manager / Consultant for the Austin Area Black Contractors Association