



## MEMORANDUM

**TO:** Mayor and Council Members

**THROUGH:** Susana Carbajal, Chief of Staff *sc*

**FROM:** Edward Campos, Director, Small and Minority Business Resources Department (SMBR) *ec*

**DATE:** March 26, 2024

**SUBJECT:** **Update Regarding the Establishment of Minority-Owned and Woman-Owned Business Enterprise Aspirational Goals for the Minority-Owned and Women-Owned Business Enterprise Procurement Program**

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This memo serves as an update regarding the development of aspirational goals related to the City of Austin's Minority-Owned and Woman-Owned Business Enterprise (MBE/WBE) Procurement Program.

On July 27, 2023, Council approved Ordinance No. [20230720-113](#) (2-9A and 2-9B), establishing the MBE/WBE Procurement Program. The ordinance outlined revisions proposed by the 2022 Disparity Study consultant, including the development and establishment of annual aspirational MBE and WBE goals. These aspirational goals are based, in part, on the Annual Procurement Forecast developed by the Financial Services Department (FSD).

### **Annual Aspirational Goals**

As set forth in [Section 2-9A-3](#) (*Establishment of Program*), annual aspirational goals are defined as the targeted levels established for the annual aggregate participation of MBE and WBE certified firms in City contracts with respect to City procurement. The goals will be based on anticipated procurement opportunities identified by FSD and City departments that will be competitively bid per state statute.

Per [Section 2-9A-18](#), annual aspirational goals shall be expressed as a cumulative goal for all groups of minority persons and composed of each group of minority persons. The annual aspirational goals shall be based on the availability of MBEs and WBEs in the City's marketplace as required by federal and state law.

The Procurement Forecast identifies over 200 anticipated purchases of goods and services that may be procured during the City's Fiscal Year. These procurements are often modified by City departments prior to actual advertisement due to emerging needs or changes in funding. Similarly, the availability of MBEs and WBEs fluctuates as certified firms enter and exit the program, or as firms add or remove commodity codes from their vendor profiles. In order to present data that is as accurate as possible given the above

parameters, Small and Minority Business Resources Department (SMBR), in consultation with the Law Department, has determined that the development of Quarterly Aspirational Goals will be the preferred method for the foreseeable future due to those constraints. SMBR will work with FSD on refining the development of the Annual Procurement Forecast to include additional data that will assist SMBR in the development of future aspirational goals.

SMBR's methodology is in accordance with the federal annual Disadvantaged Business Enterprise (DBE) goal calculation methodology and industry best practices. Based on this methodology, the MBE/WBE Aspirational Goals for the first quarter of FY 2024 are 7.28% for MBE firms and 2.13% for WBE firms. Second Quarter aspirational goals are 7.39% for MBE firms and 2.24% for WBE firms. Staff will provide updates on 3rd and 4th Quarter aspirational goals.

The next step in this process is to continue to work with FSD and City departments who anticipate releasing procurements in the remaining quarters to ascertain release dates and commodity codes/scopes of work. SMBR will update Council on the remaining quarterly aspirational goals moving forward. These quarterly aspirational goals will then roll up to the Annual Aspirational Goals. SMBR will further refine this process so that future iterations will not require quarterly goal development.

Should you have any questions, please contact me at [Edward.Campos@austintexas.gov](mailto:Edward.Campos@austintexas.gov).

cc: Jesús Garza, Interim City Manager  
Anne Morgan, City Attorney  
James Scarboro, Chief Procurement Officer