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**CITY OF SAN ANTONIO**  
**INTERDEPARTMENTAL MEMORANDUM** ITEM NO. \_\_\_\_\_  
**ECONOMIC DEVELOPMENT DEPARTMENT**

**TO:** Mayor and City Council

**FROM:** Ramiro A. Cavazos, Director, Economic Development Department

**THROUGH:** Terry M. Brechtel, City Manager

**COPIES:** Christopher J. Brady, Assistant City Manager, City Attorney's Office, Purchasing Department, Public Works Department, Parks & Recreation Department, Asset Management Department, Finance Department, Aviation Department

**SUBJECT:** Update to the City's Small Business Policy

**DATE:** November 21, 2002

**SUMMARY AND RECOMMENDATIONS:**

This ordinance provides for an update to the City's Small Business Economic Development Advocacy (SBEDA) program policies. The recommended revisions are intended to help clarify and to further strengthen the City's SBEDA program. The proposed revisions include:

- The establishment of the new SBEDA contracting goals for Fiscal Year 02-03 and Fiscal Year 03-04;
- Providing more precise definitions to the SBEDA preference point system used on discretionary and professional service contracts;
- Reduce the time frame for submittal of the Good Faith Effort Plan by prime contractors on City Public Works construction projects;
- Consolidation of certain SBEDA forms used for administration of the program;
- Clarification of language regarding project specific SBEDA contracting goals;
- Reducing the advertising period on procurement bids from 30 days to 15 days; and
- Changing the name of the SBEDA Citizens Advisory Committee to the Small Business Advocacy Committee.

Staff recommends approval of these amendments.

**POLICY ANALYSIS:**

The City of San Antonio administers a program to provide contracting opportunities and assistance to Small, Minority and Women Business Enterprises. The provisions of the SBEDA program were adopted through an ordinance in 1993, which was later amended in 1996 and 1999. The SBEDA policy ordinance requires a periodic review by City Staff and the SBEDA Citizens Advisory Committee in order to make appropriate changes and updates. The proposed revisions recommended by City Staff and the SBEDA Citizens Advisory Committee will enable

the City to improve the administration of the policy that benefits the ability of small businesses to compete for City contracts.

A key revision relates to new updated goals for small, minority and women-owned businesses. The recommended goals are based on a local business availability study conducted by the Economic Development Department. The availability study is a comprehensive inventory of firms within the City's market area categorized by minority status, gender and industry groups. The purpose of the availability study was to identify the actual number of minority and women-owned business and to provide the basis for analyzing utilization and to establish accurate contracting goals.

The results of the availability study show that there are 18,080 establishments able to provide goods and services in the business categories pertinent to City contracting. Of this total, 4,757 firms are classified as minority-owned, 3,684 are woman-owned and 218 are African-American owned businesses. A table illustrating the proposed goals based on the availability study is included as **"Attachment A"**.

Additional revisions to the SBEDA policy are illustrated in **"Attachment B"**. They include provisions to clarify the SBEDA point system used in the selection criteria for discretionary and professional service contracts. Recommendations are also suggested concerning the requirement related to the submission of a good faith effort by prime contractors and the advertising period on procurement bids. Suggestions are also outlined to simplify the contracting process related to SBEDA by the consolidation of SBEDA forms and clarification language for the establishment of project specific SBEDA contracting goals. The final modification pertains to changing the name of the SBEDA Committee to the Small Business Advocacy Committee.

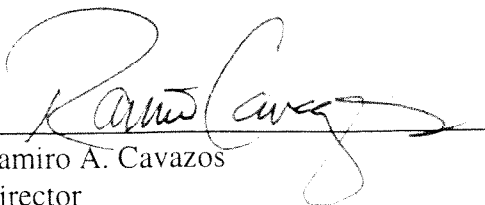
The SBEDA Citizens Advisory Committee has reviewed and recommends approval of the proposed amendments. The Economic and Human Development Committee was briefed on this item on September 5, 2002, and directed staff to bring this item forward for Council consideration.

#### **FISCAL IMPACT:**

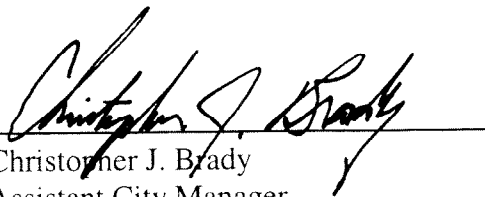
There is no financial impact associated with this action.

#### **COORDINATION:**

This item has been coordinated with the Public Works Department, Purchasing Department, Aviation Department, City Attorney's Office, Asset Management Department, Parks and Recreation Department, the SBEDA Citizens Advisory Committee, and the City Council Economic and Human Development Committee.

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Ramiro A. Cavazos  
Director  
Economic Development Department

A handwritten signature in black ink, appearing to read "Christopher J. Brady", written over a horizontal line.

Christopher J. Brady  
Assistant City Manager

Approved:

A handwritten signature in black ink, appearing to read "Terry M. Brechtel", written over a horizontal line.

Terry M. Brechtel  
City Manager

Attachment

## ATTACHMENT "A"

<u>CONTRACTING CATEGORY</u>	<u>PROPOSED FY 2003 and FY 2004 GOALS</u>	<u>CURRENT GOALS</u>
<b><u>CONSTRUCTION</u></b>		
Minority Business Enterprise	24%	19.8%
Women-Owned Business Enterprise	11%	5.5%
African-American Owned Business Enterprise	1.5%	.44%
Small Business Enterprise	50%	45%
<b><u>PROCUREMENT</u></b>		
Minority Business Enterprise	15%	11.7%
Women-Owned Business Enterprise	10%	12.8%
African-American Owned Business Enterprise	3%	1.7%
Small Business Enterprise	50%	45%
<b><u>PROFESSIONAL SERVICES/LEASE &amp; CONCESSIONS AND OTHER SERVICES</u></b>		
Minority Business Enterprise	31%	32.5%
Women-Owned Business Enterprise	10%	13%
African-American Owned Business Enterprise	2.2%	2.3%
Small Business Enterprise	50%	45%

\*Goal Achievement will be based on plus or minus 2.5% margin of business availability (Except in AABE category).

## “ATTACHMENT B”

PROPOSED REVISION	CURRENT POLICY
Provide more precise definitions and more objective criteria to SBEDA preference point system used in discretionary and professional service contracts.	The current system is relatively vague and somewhat subjective with regard to the method that SBEDA points are assigned.
Require prime contractors to submit the Good Faith Effort Plan (GFEP) at time of bid opening	GFEP required 2-hours after bid opening.
Consolidate three separate SBEDA forms into the GFEP. Revised policy will require only one SBEDA form to be submitted with bid documents.	Current policy requires three separate SBEDA forms to be submitted with bid documents
Clarify language regarding the use of project specific contracting goals. The SBEDA Ordinance will contain a provision highlighting that under certain circumstances (i.e., low business availability), Department Heads can request that a project specific SBEDA goal be set as opposed to overall aggregate SBEDA goal.	Project specific SBEDA contracting goals are allowed but are not <b>highlighted</b> as part of the program and therefore are rarely used
Reduce the advertising period on procurement bids to 15-days.	Current policy requires 30-day advertising period.
Small Business Advocacy Committee	Small Business Economic Development Advocacy Citizens Advisory Committee