

**CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Ramiro A. Cavazos, Director

SUBJECT: Amendment to Small Business Ordinance

DATE: May 12, 2005

SUMMARY AND RECOMMENDATIONS

This item amends the City's Small Business Ordinance by specifying performance standards for Design-Build Construction projects. The purpose of the performance standards is to provide contract opportunities for local Small, Minority, Women, & African-American Owned Businesses on Design-Build Construction projects.

Staff recommends approval of this ordinance.

POLICY ANALYSIS

The Small Business policy ordinance approved by the City Council on December 16, 2004 authorizes the establishment of a Public Works Construction Workgroup (PWCW) to advise City Staff and City Council on Small Business procedures to be used on Design-Build Construction Projects.

Due to legislative changes, the City of San Antonio has the ability to use the Design-Build Construction contract selection method for specific Public Works construction projects. Design-Build Construction is a contracting method where a single firm provides both design and construction services. The typical Design-Build Construction project team consists of an architect, engineer and constructor. Selection of the Design-Build Construction team is based on a two-step process involving request for qualifications (RFQ) followed by request for proposals from respondents that were short-listed in the RFQ process. Final selection is based on the respondent who offers the best value to the City. Attachment One provides an illustration of the Design-Build Construction bidding and selection process.

As with most discretionary contract solicitations, City staff typically uses a 100-point evaluation system, and includes various categories upon which respondents are scored. Examples include Financial Capacity, Technical Management Competence, and expertise in a particular field. Twenty percent of the scoring is related to compliance with the City's Small Business policy. Since the selection process for a Design-Build Construction team is different than the traditional design-bid-build contracting approach, the standard Small Business selection and scoring criteria need to be modified. Projects bid under this type of solicitation involve a variety of disciplines

that include Construction Prime Contractor, Architects, Engineers, Project Managers, Construction Subcontractors and Suppliers. Only a fraction of the project team is assembled during the City's proposal solicitation period. The majority of team members, namely construction subcontractors, are selected after the City has awarded the contract. Therefore, respondents are not able to maximize their efforts to meet the City's objectives related to small business outreach and respond to the solicitation in an optimal manner.

Members of the PWCW that convened to discuss the issue were Mark H. Webb, Director, Contract Services Department (Chairperson); Ramiro A. Cavazos, Director of Economic Development; Doug Yerkes, City Engineer; Jina Schram, Associated General Contractors (AGC) Representative; Rene Garcia, AGC Representative; Doug McMurry, AGC Representative; Sue Ann Pemberton-Haugh, Architect Representative; and Anne Whittington, Engineer Representative. This group, which was supported by staff from the Small Business Outreach Division of the Economic Development Department, met in February and March of 2005 to discuss efforts to improve the small business portion of the design build solicitation process.

The PWCW Committee members recommend that the 20-points reserved for Small Business compliance be restructured to correspond better with the design-build process. The Small Business performance standards for Design-Build Construction solicitations are recommended to be allocated as follows:

- **Five (5) Points**
 - Respondent's local business status
 - Extent of local business participation at the prime contractor level
- **Five (5) Points**
 - Respondent's previous experience in implementing a similar small business program in public and private sector project
- **Five (5) Points**
 - Respondent's specific plan to provide contracting opportunities to Small, Minority, Women, & African-American Owned Businesses
- **Five (5) Points**
 - Extent of Small, Minority, Women, & African-American Owned Business utilization already identified by respondent


Respondents that are awarded a Design-Build Construction contract will be held accountable to the information submitted on their request for proposal response in subsequent phases of the Design-Build Construction project. The respondent's Small Business proposal will be incorporated as utilization requirements in the final agreement with the City of San Antonio. All other applicable provisions of the City's Small Business policy will also be included as contractual provisions.

FISCAL IMPACT

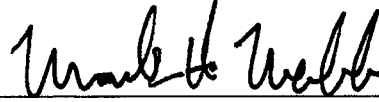
There is no financial impact as a result of this item.

COORDINATION

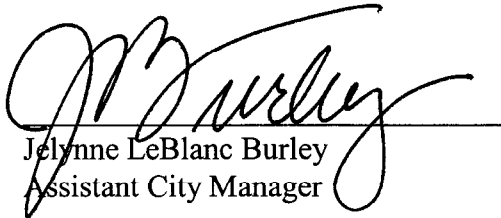
This amendment has been coordinated with the Contract Services Department, the Public Works Department and the City Attorney's office. The PWCW recommendation was also reviewed and approved by the City's Small Business Advocacy Committee on March 29, 2005. In addition, the item was presented to the City Council Economic & Human Development Committee on March 30, 2005. The City Council Economic & Human Development reviewed the proposed policy and suggested that it be placed on the City Council agenda for consideration.



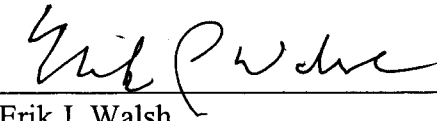
Ramiro A. Cavazos, Director
Economic Development Department



Mark H. Webb, Director
Contract Services Department



Jelynn LeBlanc Burley
Assistant City Manager



Erik J. Walsh
Assistant to the City Manager



J. Rolando Bono
Interim City Manager

Attachment

Design-Build Process Flowchart

