

~~Exhibit A~~**Attachment I. SCOPE OF SERVICES**  
**Contractor Capacity Building & Bonding Assistance Program Administration**

The City of San Antonio (City), through the San Antonio Economic Development Corporation (SAEDC) and administered by Jim Swindle dba Alamo Surety Bonds (Consultant), shall establish and implement the Contract Capacity Building and Bonding Assistance Program (Program) to assist local small, minority, and woman-owned businesses (S/M/WBEs) seeking City contracts.

The Consultant shall provide tailored needs assessments for S/M/WBE contractors participating in this Program and create the educational, technical, and financial literacy component required for a successful program. In addition, the Consultant shall provide S/M/WBEs with one-on-one business counseling, referrals to additional small business resources with the City or other small business stakeholder organizations, project support if awarded a City contract, and financial support to offset City contract bonding requirement barriers. Ultimately, the Program shall ensure S/M/WBEs are receiving assistance to build their capacity and bonding limits, which should lead to an increase in the number of City contracts they are both bidding on and awarded.

For many reasons, equity is a key requirement for the Program. Over the City's history, and as reflected nationally, minority and woman-owned businesses (M/WBEs) have suffered from long-term disparities, which were made abundantly more evident during the global COVID-19 pandemic. Therefore, while the Program shall support all local small businesses, its objectives must focus on M/WBEs.

The entire scope of services for the Program is as follows below. All Program elements in the scope of services below (e.g., policies, procedures, forms, marketing information, classes, intake process, etc.) shall be pre-approved by the City's Economic Development Department before implementation.

**Section A – Participant Eligibility**

1. Participants eligible for this Program must meet the following criteria:
  - a. Place of business must be headquartered within the City.
  - b. Business must meet the definition of a Small Business Enterprise (SBE) per the Small Business Administration (SBA).
  - c. Registered in the City's Central Vendor Registry.
  - d. Performing services in the construction industry.
2. Consultant shall develop a recommended application and selection process.
3. Consultant shall verify and keep record of each participant who is granted or denied entry into the Program. This includes retaining documents verifying eligibility for each participant and available to the City upon request (e.g., CPS bill, SBE certification certificate from the South Central Texas Regional Certification Agency, Texas Secretary of State, or signed attestation).

**Section B – Education, Training, and Guidance**

1. Establish and implement a standardized intake process to assess the technical and financial strengths and weaknesses for each participant (e.g., Per Consultant's response to the City's Request for Proposal (RFP), review of the firm's company office and operations, collection and review of bond application, current bonding capacity and assessment score card). A documented and standardized action plan shall be provided to each participant based on the assessment inclusive of required classes and community partner referrals to complete.
  - a. Gather and evaluate past applications for bond requests, if available. If prior denials exist, incorporate a planned strategy for addressing and overcoming the factors that led to the denials.
  - b. Evaluate all relevant company documents to provide the assessment, including the firm's financial statements, asset allocation, capital investments, etc.

- c. Determine the participant's bonding capacity upon initial assessment to measure growth as the participant progresses and completes the Program.
2. Identify and provide educational courses and instructors focused on business financial literacy and industry best practices to improve the bonding capacity for participants (e.g., Per Consultant's response to the City's RFP, An Overview of the Surety Underwriting Process, The SBA Surety Bond Guarantee Program, Bonding Subcontracts, Financial Statement Presentation & How it Affects Bond Capacity, The Work in Progress Schedule, The "Alternate" Surety Market, Why Contractors Fail, Understanding Personal Credit & How it Affects "Bondability").
  - a. Organize and publish the classes to be offered to participants, including pre-set dates, times, and frequency of each class.
  - b. Help schedule, track, and ensure class participation and completion on behalf of the participant.
  - c. Virtual and in-person classes are allowed; however, if a firm has internet access issues, accommodations shall be provided.
  - d. All partnerships, formal or informal, are subject to approval from the City, including, but not limited to execution of a memorandum of understanding.
3. Identify and provide a list of referral services and existing resources to all participants (e.g., LiftFund, SBA, City's Mentor-Protégé Program, Texas Department of Transportation, bookkeepers, CPAs, lenders).
  - a. Organize and publish business community stakeholder partnerships and services offered for the participants.
  - b. Help schedule, track, and ensure referrals are completed on behalf of the participant.
  - c. Virtual and in-person services are allowed; however, if a firm has internet access issues, accommodations must be provided.
4. Provide personalized one-on-one business guidance and consultation services for each participant (e.g., Per Consultant's response to the City's RFP, job cost breakdown & analysis, cash flow analysis, obtaining financing, funds administration process overview and requirements, dispute resolution, job status reports, complete financial statement analysis, credit evaluation, line of credit, and recommendations to improve credit and firm financial elements).
  - a. Each participant shall receive a minimum of 15 hours of consultation through their duration in the program. Consultant shall meet with each participant at least once monthly.
  - b. Total consultation hours shall be at least 450 hours annually.
  - c. Help schedule, track, and ensure contractor participation and completion on behalf of the participant.
5. Assist participants in submitting bids to City of San Antonio and non-City of San Antonio solicitations, including but not limited to, understanding solicitation language and requirements, cost estimating, subcontractor management, bid documents, bonding requirements, etc.
  - a. Educate participants on how to find bidding opportunities with local, state, federal and private agencies.
6. Assist participants awarded City of San Antonio contracts, including but not limited to, ensure project timeline is met, project requirements are completed adequately, reports requested are submitted, subcontractor are paid on time, etc.

### **Section C – Financial Assistance**

1. Per federal, state, and local law, manage and disburse funds from a \$500,000 revolving pool of funds, or greater should funds be added in the future due to Consultant fundraising efforts, to participants for the sole purpose of offsetting bonding requirements on City contracts.
  - a. The pool of funds shall be kept separate and apart from Consultant's personal account(s). Consultant agrees that is shall not permit or cause to be permitted amounts in the Fund to be comingled with any monies not intended for the purpose stated above. All funds spent shall be approved by the City/SAEDC.

- b. Provide the City with standardized monthly reports detailing funds expensed or planned to-be expensed due to pending City contract award, as well as an estimated timeline in which the revolving pool of funds will be replenished per participant assisted.
  - c. Ensure that all funds paid to participants are allowable expenses and are eligible to be replenished in the revolving pool of funds.  
~~Provide a two-year plan to fundraise and grow the revolving pool of funds, through entities such as banks.~~
  - d. Work with the participant, San Antonio Economic Development Corporation, and City to ensure monies owed back to the revolving pool of funds is captured.
  - e. Establish funding maximums per participant to protect and spread funds to meet outcomes defined below (e.g., 40% of bonding required or a maximum of \$200,000, whichever is the lowest value).
2. Develop annual targets of fund disbursements based on participant enrollment and awarded contract duration with the City, total amount of funds available in the collateral pool, and current estimated costs to obtain bonds, in which all dollar ranges of City contracts will be eligible for bonding assistance (e.g., 10 participants can be supported on contracts with an estimated award value less than \$500,000, 15 participants can be supported on contracts with an estimated award value of \$500,000 to \$1,000,000, etc.).
  3. Create a chart for Program participants that provides context regarding the bond fees based on credit rating and value of contract. (e.g., 3% for 630-705 credit rating or based on contract amounts).
  4. Work with surety companies to develop underwriting criteria that will protect Program resources and will allow maximum participation for participants requiring bonding assistance.
    - a. The Program will be an “open surety market” allowing participation by any willing surety.
  5. Monitor participant completion of City contract requirements related to bonding and assist with obstacles encountered in those transactions.
  6. The City shall have authority to inspect Consultant’s compliance with funds administration as listed above.

#### **Section D – Outcomes**

1. Provide tailored services, as identified under Section B, for at least 30 participants to complete the Program annually.
2. ~~Provide services to assist Program participants in submitting two (2) bids monthly to San Antonio or regional public agency solicitations, with at least one (1) of those bids being specifically for City of San Antonio solicitations.~~
- ~~2.3.~~ Provide collateral pool funding to offset City bonding requirements, as identified under Section C, for at least 10 participants annually, unless the funding is already allocated.
  - a. Program default rate shall be no greater than five percent (5%) for all years combined under the Consultant’s administration.
- ~~3.4.~~ Meet the following minimum aspirational goals:
  - a. Small Business Enterprise – 100%
  - b. Emerging Small Business Enterprise – 50%
  - c. Minority Business Enterprise – 75%
  - d. African American Business Enterprise – 30%
  - e. Asian American Business Enterprise – 15%
  - f. Hispanic American Business Enterprise – 30%
  - g. Woman Business Enterprise – 50%
  - h. Veteran Owned Business Enterprise – 5%
- ~~4.5.~~ In the event that the existing revolving pool of funds are exhausted, provide tTargeted outreach to financial institutions and other entities to increase the collateral pool.

- ~~5.6.~~ Provide standardized monthly reports to the City inclusive of all active Program participants to include the following: company name, owner name, company address, council district, certification status (race and gender), funding amount issued (if received), class participation and completion, referrals requested/identified for small business services/organizations and completion, City contract bids and awards, specified business industry or trade, etc.
- ~~6.7.~~ Provide five (5) client success stories to the City no later than June 1 of each year.
- ~~7.8.~~ Create and provide annual surveys to participants to assess Program satisfaction regarding education, training, one-on-one consultation, and referrals. Survey shall also measure participant revenue, number of employees contract bids, contract awards, and bonding capacity increases.
  - a. Create and provide annual surveys for participants that complete the program for a four (4) year period to measure long-term success using similar indicators above.
- ~~8.9.~~ Should outcomes not be achieved, Consultant will submit a Corrective Action Plan to the City within 30 days of notification by the City, subject to approval. The Corrective Action Plan will state the cause for the deficiency and propose a plan with a specific timeline on how their outputs and goals will be met.
- ~~9.10.~~ The City shall have authority to inspect the Consultant's reported outcomes.
10. The City shall conduct feedback sessions with all participants to determine the effectiveness of the Program and advise updates and changes to the existing processes.

#### **Section E – Administrative Services**

1. Create a program manual detailing all Program policies and procedures, from participant intake to exit/graduation, including funds administration, as well as participant process flow chart and interaction/actions to be performed by community partners.
  - a. Funds administration policies and procedures should address factors such as the process of approving qualified participants to receive approval for performance/payment bonds after being awarded a City contract, developing a list of pre-approved list of surety/bonding agencies, etc.
2. Create all Program forms such as program application, standardized action plan, bond submission checklist, etc.
3. Provide and implement short-term and long-term goals, achievable milestones, and timeline to establish and administer the Program.
  - a. Program must be established with all programmatic elements developed as listed in this Scope of Services within 45 days of City Council approval of the Agreement.
  - b. Utilize Program metrics, industry standards and best practices, and feedback from the S/M/WBE business community, small business stakeholder community, City of San Antonio Finance Department, and City of San Antonio Public Works Department to annually provide recommendations to improve the program.
4. Provide Program updates periodically to City staff and City Council, Small Business Economic Development Advocacy (SBEDA) Committee, Small Business Advisory Commission, San Antonio Economic Development Corporation, and local business stakeholder organizations.
  - a. Includes the development of a presentation and execution of content.
5. Develop and execute an annual marketing plan for the Program targeting S/M/WBEs and small business stakeholder organizations. Emphasis should be placed on efforts to achieve participant aspirational goals as established in Section D.
  - a. Host quarterly workshops, in coordination with the City Economic Development Department, with approved/active program participants to inform of upcoming City contracting opportunities, City system registration and training (i.e., CivCast/PrimeLink), City small business programs and resources, and external small business stakeholder organization services (i.e., Apex Accelerator, bid estimation, LiftFund).
  - ~~a.b.~~ As requested, attend City Economic Development Department events and meetings to market the Program.

6. Consultant agrees that any fee, commission, kickback, or other thing of value that Consultant receives in connection to the Agreement shall be in alignment with industry standards and market rates and shall not serve as a detriment to the Program funds or to Program participants. Any finding by City that the Consultant violated this provision, as determined solely by Director, shall constitute a breach of contract and subject Consultant to the termination provisions within the Agreement.
7. Consultant agrees and understands that Program participants shall be allowed to choose any surety, resource provider, or advisor, to include but not limited to CPAs, insurance brokers, or bankers.
8. Respond to inquiries from interested businesses and the general public.
9. Maintain good character when serving participants.
10. Maintain participant confidentiality, including but not limited to, business financial information.