



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 32

**Agenda Date:** December 12, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Brenda Hicks-Sorensen

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Amendment to a contract with Herospace Digital Consulting, LLC to increase funding for expanded services, extend the contract term, and increase the total contract value.

**SUMMARY:**

This Ordinance authorizes the execution of an amendment to a contract with Herospace Digital Consulting, LLC for expanded services under the Digital Presence Program to support small businesses impacted by City-initiated construction projects as defined within in Construction Mitigation Program. The amendment is for an amount up to \$150,000.00, increasing the total contract amount to \$682,650.00, and extending the term to September 30, 2024. Funding for the amendment in the amount of \$150,000.00 is available from the FY 2024 General Fund Adopted Budget.

**BACKGROUND INFORMATION:**

On February 3, 2022, the City Council approved a spending framework for State and Local Fiscal Recovery Funds received by the City of San Antonio under ARPA. This framework included \$32.44 million allocated for small businesses. On June 23, 2022, City Council approved the ARPA Small Business implementation plan which included programs to support the acumen and resiliency of small businesses through easier access to education resources, thereby helping them

to adjust to the post-pandemic marketplace.

A competitive Request for Proposals (RFP) for small business support services programming was issued between August 18, 2022, and October 21, 2022. Herospace Digital Consulting, LLC (Herospace) was selected to develop the Digital Presence Program (DPP) and City Council approved the contract for \$532,000.00 on April 6, 2023, through Ordinance 2023-04-06-0210.

Under the current contract, Herospace has collaborated with City staff to develop the DPP educational website and dynamic digital competency questionnaire which is anticipated to launch publicly before Spring FY 2024. The DPP public launch will be closely followed by the expanded Herospace contract supporting Construction Mitigation, currently scheduled to end in April 2024.

**ISSUE:**

This contract amendment will extend the Herospace contract for five additional months and increase the current contract funding by \$150,000 for expanded services to small businesses that will receive construction mitigation support under the DPP.

The Construction Mitigation Program is a General Fund program initiated in FY 2023 to mitigate the impacts of long-term, City-initiated construction projects on small businesses. Adding the Digital Presence Program will benefit businesses in designated construction zones by automatically qualifying them for the one-hour consultation, digital marketing plan, and no-cost digital services such as the creation of a basic website, a five-section landing page, or a digital marketing package. Automatically qualifying these businesses for digital resources to attract and retain customers will support efforts to mitigate the impact of City-initiated construction projects.

**ALTERNATIVES:**

Should the contract amendment and DDP program expansion not be approved, staff will reevaluate the use for the funding allocated for the Construction Mitigation Program to provide additional support to construction-impacted small businesses through an alternative method.

**FISCAL IMPACT:**

This Ordinance approves a contract amendment with Herospace Digital Consulting for administration of the Digital Presence Program to extend the term of the contract for an additional five months to end on September 30, 2024. This Ordinance also approves expanding the Digital Presence Program by \$150,000.00 to support the Construction Mitigation Program. Funding for the expansion of this contract in the amount of \$150,000.00 is available from the FY 2024 General Fund Adopted Budget.

**RECOMMENDATION:**

Staff recommends the approval of this ordinance.