



# City of San Antonio

## Agenda Memorandum

### File Number:

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**Agenda Item Number:** 17

**Agenda Date:** November 7, 2024

**In Control:** City Council A Session

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**DEPARTMENT:** Economic Development Department

**DEPARTMENT HEAD:** Brenda Hicks-Sorensen

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Latin America Business Development Representative

**SUMMARY:**

An ordinance authorizing a contract with Xstrategy USA, LLC to provide consulting services to strengthen relationships between San Antonio and Latin America and position San Antonio as a leading candidate for investment. This contract will have a one-year term, with two (2) one-year renewals. The annual cost for these services will be up to \$50,000.00 per year for a total cost of up to \$150,000.00. Funding in the amount of \$50,000.00 is available from the General Fund FY 2025 Adopted Budget. Funding for future years is contingent upon City Council approval of the annual budget.

**BACKGROUND INFORMATION:**

For over 70 years, San Antonio has enjoyed mature and important relationships with Mexico and Spain, without developing significant cultural or economic relationships with Central or South America. On January 28, 2021, District 8 Councilmember Manny Pelaez filed a City Council Consideration Request (CCR) to explore an expansion of our Sister City program into Central and South America. In support of this CCR, the Economic Development Department (EDD) created

the Latin America Taskforce, made of up community and business leaders with connections to Latin America, to identify and leverage San Antonio's global academic, cultural, military, and economic ties. Increasing investment from Latin America in San Antonio was identified as a goal and for FY2024, EDD established a one-year pilot agreement with a consultant in Bogota, Colombia to position San Antonio as a leading candidate for investment.

Following the one-year pilot, EDD is now seeking to maintain a consultant to strengthen relationships between San Antonio and Latin America. More specifically, this work will focus outside Mexico, where strong cultural and economic relationships already exist. Panama and Colombia will remain primary targets, but work will not be limited to these countries. In addition, the consultant will establish a pro-active investment promotion strategy focused on industry clusters established in the City of San Antonio Economic Development Strategic Framework that include mobility, IT security & infrastructure, sustainable energy, corporate services, bioscience anchors & catalysts. The consultant will execute on the strategy to position San Antonio as a leading candidate for investment and generate leads with companies that have immediate, shortterm, and mid-term investment plans.

The City issued a Request for Proposal (RFP) for "Latin America Foreign Representative" (RFP 24-109, 6100018024) on May 14, 2024, with a submission deadline of June 18, 2024. The RFP was advertised in Hart Beat, TVSA Channel, the City's Bidding and Contracting Opportunities website, the San Antonio e-Procurement System (SAePS), and an email notification was released to a list of potential respondents. Four responses were received, and all four proposals were deemed responsive for evaluation.

The evaluation committee consisted of representatives from EDD, the San Antonio Airport System, and greater:SATX. The Finance Department, Procurement Division assisted by ensuring compliance with City procurement policies and procedures. The evaluation of each proposal was based on a total of 100 points: 40 points allotted for experience, background and qualifications; 35 points allotted for proposed plan; 10 points allotted for price; 10 points allotted for the Local Preference Program, and 5 points for the Veteran-Owned Small Business Preference Program. Additional categories of consideration included references and financial qualifications.

The evaluation committee met on July 16, 2024, to discuss and score the four proposals received. The top ranked firm was Xstrategy US, LLC and is recommended for the award. The initial term of the agreement will be for the period upon award by City Council through September 30, 2025. Two additional, one-year renewals at the City's option will also be authorized by this ordinance.

The Economic and Workforce Development Committee (EWDC) was briefed on this item on October 22, 2024 and approved it for full City Council consideration.

## **ISSUE:**

The scope of work of the contract with Xstrategy US, LLC will include, at a minimum, the following:

- Establish a pro-active investment promotion strategy focused on industry clusters established in the City of San Antonio Economic Development Strategic Framework approved by City Council.
- Create a target list of companies with short and mid-term investment plans and a focus on the top 100 companies and industrial groups and companies with over \$20 million in annual revenue in Latin America (excluding Mexico).
- Arrange and manage meetings with and presentations to a minimum of 30 companies from the target list in Latin America (excluding Mexico) during the first year, with optional participation involving San Antonio representatives.
- Generate three (3) leads of large companies (\$20+ million annual revenue) with immediate or near-term investment plans (24-36 months or less), annually.
- Conduct due diligence on target prospective leads, and track and report on goals to EDD.

The Small Business Economic Development Advocacy (SBEDA) Ordinance requirements were waived due to the lack of small, minority and/or women owned businesses available to provide this service.

The Local Preference Program applied to this contract; however, the recommended firm is not a local business.

The Veteran-Owned Small Business Preference Program applied to this contract; however, the recommended firm is not a Veteran-Owned Small Business.

#### **ALTERNATIVES:**

Should this contract not be approved, the City would not have the resources and expertise to execute the functions necessary to achieve the desired foreign direct investment from Latin America.

#### **FISCAL IMPACT:**

This ordinance approves a contract with Xstrategy US, LLC for a cost of up to \$50,000 annually and a total cost of up to \$150,000 for the entire contract term. Funding in the amount of \$50,000.00 is available from the General Fund FY 2025 Adopted Budget. Funding for future years is contingent upon City Council approval of the annual budget.

#### **RECOMMENDATION:**

Staff recommends approval of this ordinance.

This contract was procured by means of Request for Proposals and a Contracts Disclosure Form is required.

