



City of San Antonio

Agenda Memorandum

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Agenda Item Number: 5

Agenda Date: May 27, 2025

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Economic Development Department Supplier Engagement Strategy.

SUMMARY:

A briefing on the Economic Development Department comprehensive supplier engagement strategy including updates on the Capacity Building & Bonding Assistance Program and Mentor Protégé Program.

BACKGROUND INFORMATION:

The City of San Antonio has undertaken several efforts aimed at engaging, supporting, and growing local vendors, particularly Small, Minority, and Woman-Owned (S/M/W/BE) businesses. The Small Business Economic Development Advocacy (SBEDA) program was established in 1992 by the SBEDA Ordinance, which was amended in 2010 and in 2016, and seeks to encourage the full and fair utilization of S/M/WBEs on City contracts. In August 2023 City Council adopted the SBEDA Disparity Study which resulted in Ordinance Amendments approved by City Council

in December 2024.

In March 2011, Mentor Protégé Program was launched in partnership with Alamo Colleges. This program is funded through an Interlocal Agreement (ILA) and no general funds are budgeted for the program. The finalized framework for the Mentor Protégé program established the following goals for the program:

- Provide capacity building educational classes to S/M/WBEs seeking or awarded a City of San Antonio contract.
- Provide individualized business counseling; and
- Facilitate mentor protégé partnerships that allow S/M/WBEs to learn successful business practices from their mentors.

The Mentor Protégé program is split into two phases. The first phase requires protégés to enroll in the City of San Antonio's Small Business Boot Camp and the second phase matches protégés with mentors to learn best business practices. To date the Mentor Protégé Program has 98 graduates, with an additional 44 businesses currently participating in the program. There are approximately 30 businesses serving as program mentors.

The Capacity Building & Bonding Assistance Program launched in October 2022 as a two-year pilot in partnership with the San Antonio Economic Development Corporation (SAEDC) and administered by Jim Swindle dba Alamo Surety Bond. In August 2024, the SAEDC ratified a one-year extension to the pilot program. Under terms of the agreement, Alamo Surety Bond must provide tailored services for at least 30 participants annually. As of March 15, 2025, Alamo Surety Bond has served a total of 27 participants over the life of the program.

Upon entering the Program, each business receives an individualized assessment to develop their tailored action plan. This includes educational courses, referrals to other service providers, one-on-one consultation, and project bid assistance to meet bond requirements. To date, participants have completed 46 classes and received a collective 116 hours of individual consultation. This resulted in a collective increase in participant business bonding capacity from \$1.9 M to \$14.75 M, representing a 676.32% increase. Participating businesses have submitted six bids for City of San Antonio solicitations and 34 for other public agency contracts, of which nine bids resulted in awards for a combined \$4.3 M with securing one contract awarded by City of San Antonio of \$750,000.

ISSUE:

The 2023 Disparity Study provided anecdotal and survey data from vendors identifying challenges they face competing for City contracts. These included needing additional assistance and education with understanding the City's procurement processes and developing winning bids and proposals. Many vendors felt excluded from networks that offer information and relationships necessary for success, M/WBE local firms encountered barriers with access to capital, such as financing, bonding, and insurance and want a more targeted outreach for their industry.

These findings were consistent with the findings from the Supply SA Procurement Playbook, which was completed in 2022 by Drexel University's Nowak Metro Finance Lab, with the support from

the Aspen Institute Latinos and Society Program, and the San Antonio Area Foundation. The group held meetings and discussions with agencies in San Antonio to define the procurement economy for the broader small business ecosystem. Key findings included that there was an opportunity for enhanced collaboration amongst public agencies in close coordination with the broader small business ecosystem.

Based on this information as well as current program performance, the Economic Development Department sought to establish a cohesive Supplier Engagement strategy to foster economic growth by enhancing the awareness, capacity, competitiveness of local, small, minority, and woman-owned businesses to expand the availability of firms competing on City procurements.

The Strategy Components are:

- Outreach and Engagement – Implement a targeted approach to increase vendor availability, engage stakeholder groups to gather ongoing feedback, and collaborate with internal stakeholders to identify challenges and opportunities for vendors.
- Supplier Development – Identify needs and appropriate programming for internal and external stakeholders. Implement tailored programs to support development of S/M/WBE vendors, leveraging existing support services and partnerships.
- Preference Programs – Continue to implement SBEDA, Local Preference Program and Veteran Owned Small Business Program in accordance with existing laws.

FISCAL IMPACT:

N/A

ALTERNATIVES:

N/A

RECOMMENDATION:

Staff does not recommend any action.