



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 24

Agenda Date: November 9, 2023

In Control: City Council A Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Professional Services Agreement for Procurement Process Mapping Services and Development of an Improvement Plan.

SUMMARY:

This ordinance authorizes a one-year contract with Civic Initiatives, LLC for procurement process mapping services and the development of an improvement plan for the Economic Development Department (EDD) for a total cost not to exceed \$131,114.48. The services provided will guide the City in crafting a more accessible and simpler procurement process that will benefit both City staff and vendors, especially small, minority, and woman-owned businesses. Funding is available from the Economic Development Incentive Fund FY 2024 Adopted Budget.

BACKGROUND INFORMATION:

Annually, the City purchases hundreds of goods and services to implement programs and initiatives that support various public needs (i.e., purchase of solid waste vehicles to pick up trash or purchase of construction services to build a library). To purchase these goods and services, the City issues solicitations with multiple requirements to satisfy applicable federal, state, and local laws, as well as ensure the scope of work will be performed in a satisfactory manner. Depending on the procurement method used, the City recommends the vendor for award that offers the lowest

responsible bid, best value or best experience/qualifications and proposed plan to fulfill the scope of work or specifications identified.

Further, the City implements programs that support the inclusion of local, small, minority, woman, and veteran-owned businesses participating on City contracts.

The Supply SA initiative launched in May 2022 and was inclusive of approximately 14 public agencies. The initiative seeks to expand the local economy by increasing the participation and successful outcomes of local small, minority and women -owned businesses on government contracts. According to research conducted by Drexel University's Nowak Metro Finance Lab, that included collection of contract data and interviews with local public agencies, support organizations and business owners, three key challenges were identified:

1. Procurement is complex and deeply fragmented across local governments agencies.
2. Supplier diversity is treated primarily as a compliance exercise, rather than an economic development tool.
3. Suppliers do not have access to financial products that enable them to access bonding and capital to grow staff, buy equipment, and take on larger contracts.

To address the challenges identified, Nowak Metro Finance Lab in partnership with the Aspen Institute and the San Antonio Area Foundation, developed a Procurement Playbook that included a series of recommendations. To compliment these efforts, the City is evaluating internal process improvements through hiring a consultant to understand the challenges and barriers City staff and vendors experience with current procurement procedures.

In addition to Nowak's Research and Procurement Playbook, leading subject matter expert, Colette Holt & Associates, conducted interviews, focus groups, and surveys as part of the 2023 Small Business Economic Development Advocacy (SBEDA) Program Disparity Study, adopted by City Council in August 2023. Business owners and other stakeholders interviewed provided anecdotal evidence that the City's procurement process creates barriers to full and fair inclusion of small, minority, and woman-owned businesses and complexities need to be reduced.

Engaging Civic Initiatives, LLC to conduct this project will lead to improvements in the efficiency and effectiveness, as well as further the City's goal of creating a more inclusive and equitable procurement process. Civic Initiatives, LLC is a Texas-based consulting firm that focuses exclusively on public procurement. The firm was created by practitioners with public procurement experience, and they have led and managed strategic procurement transformation projects – similar to this project – for over seventy (70) public sector entities across the country, including other large cities and counties, such as Baltimore, MD, Austin, TX, and Cook County, IL.

ISSUE:

On June 16, 2023, the Finance Department, on behalf of the Economic Development Department, released a Request for Proposal (RFP), with a submission deadline of July 17, 2023. The RFP was advertised in the HartBeat, TVSA channel, the City's Bidding & Contracting Opportunities website, the San Antonio e-Procurement System and an email notification was released to a list of potential Respondents. Five proposals were received and deemed eligible for review. The

evaluation committee consisted of representatives from the Economic Development, Finance, and Information Technology Services departments, as well as the Office of Innovation.

The proposals were evaluated on Experience, Background, and Qualifications; Proposed Plan; Price; the Small Business Economic Development Advocacy (SBEDA) Program; the Local Preference Program; and the Veteran-Owned Small Business Preference Program. Initial scoring was held on August 15, 2023. After initial review and scoring, the committee recommended to short-list the two highest-ranked respondents. Interviews were held on August 31, 2023. After interviews, the evaluation committee recommended the top-ranked firm, Civic Initiatives, LLC.

If approved, this agreement will provide procurement process mapping services and the development of an improvement plan that will guide the design of a more accessible and simpler procurement process. As noted in the Supply SA Playbook and 2023 SBEDA Disparity Study, benefits of this work will focus on small, minority, veteran, and woman-owned businesses to promote bid submission and ease bidder financial strain. Services include, but are not limited to the following:

1. Provide a series of workflow maps to capture the “as-is” procurement processes for all formal and informal solicitations issued by the City of San Antonio.
2. Conduct interviews and host focus groups from City staff and businesses to identify specific procurement barriers to address.
3. Review City contract requirements/language, insurance/liability requirements, bonding requirements, and other solicitation criteria to determine if any are resulting in restrictive bidding practices.
4. Provide recommendations and best practices for all internal City procurement operations, processes, and systems. The consultant will focus on improving timelines from when a department decides to buy commodities/services, vendors registration process, submits a bid, is awarded, and receives their first payment.

The Small Business Economic Development Advocacy (SBEDA) Prime Contract Program was applied to this contract; however, no points were awarded to Civic Initiatives, LLC.

The Local Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a local business.

The Veteran-Owned Small Business Preference Program was applied in the evaluation of responses received for this contract; however, the highest ranked firm is not a veteran-owned small business.

ALTERNATIVES:

Should this contract not be approved, City staff would have to identify internal resources to map the procurement process and create an improvement plan. Given capacity constraints among City staff, the mapping process would likely be delayed and would not include the external review and recommendation of best practices Civic Insights, LLC brings to this project.

FISCAL IMPACT:

This Ordinance will approve a one-year Professional Services Agreement with Civic Initiatives, LLC for procurement process mapping services and the development of an improvement plan for a total cost up to \$131,114.48. Funding for this contract is available from the Economic Development Incentive Fund FY 2024 Adopted Budget.

RECOMMENDATION:

Staff recommends approval of a one-year Professional Services Agreement with Civic Initiatives, LLC, to provide procurement process mapping services and the development of an improvement plan.

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