

**CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) COMMITTEE
August 26, 2021
9:00 a.m.**

Call to Order and Pledge of Allegiance:

The meeting was called to order at 9:05 a.m. The Pledge of Allegiance was recited, roll call was taken, and a quorum was established. Economic Development staff present included, Ms. Ana Bradshaw, SBO Assistant Director, Mr. Michael Sindon, SBEDA Administrator, Ms. Samantha Diaz, SBO Coordinator, Ms. Olympia Cuellar, SBO Sr. Specialist, Ms. Margaret Toscano, SBO Manager. Additional City Staff Present include, Mr. Norbert Dziuk, Finance Assistant Director, and Ms. Christina Ramirez, Assistant City Attorney.

Roll Call:

Siew Pang, District 1 Appointee	Absent	Angela Gonzales, District 6 Appointee	Present
Jade McCullough, District 2 Appointee	Present	Irene Chavez, District 7 Appointee, Vice Chair	Absent
Joy McGhee District 3 Appointee	Present	Anwar Tahir, District 8 Appointee	Present
Juanita Sepulveda, District 4 Appointee, Chair	Present	Steven Gonzales, District 9 Appointee	Absent
Veronica Morales, District 5 Appointee	Absent	Roy Schaufefe, District 10 Appointee	Present
Melanie Tawil, Mayor Appointee	Present		

PUBLIC COMMENT: There were no citizens signed up to speak.

A. Approval of Minutes

- Discussion and action to approve the meeting minutes from the June 25, 2021, SBEDA Committee Meeting.** Mr. Schaufefe moved to approved, seconded by Ms. McCullough. The committee approved the meeting minutes as presented.

B. Individual Items

- Discussion on the solicitation process, contract award, and next steps for a consultant to provide an updated Disparity Study by Economic Development Department (EDD) Staff.**

Mr. Michael Sindon briefed the committee on the 2023 Disparity Study Request for Proposal Post Solicitation process. Mr. Sindon stated the briefing was to update the committee on the SBEDA Program’s necessity to have an updated disparity study completed in the coming years to re-evaluate the program, re-evaluate disparities for minority women owned businesses, and inform how the Small Business Office can potentially do better moving forward and potentially amend the SBEDA Ordinance

to better serve minority and women-owned businesses on City contracts.

The purpose of the SBEDA program is to promote the use of local small, minority, and women-owned businesses on City contracts to cure documented racial and gender disparities. There are legal requirements set forth by the Supreme Court that state governmental entities must identify disparities. The key Supreme Court case, *Richmond v. Croson*, dictates how you can have affirmative action type city contracting program in a given municipality. Essentially one must meet strict constitutional scrutiny and show the following:

- Statistical evidence of disparities in the market area
- Anecdotal evidence of barriers to full and fair inclusion
- Remedies must be “narrowly tailored” to cure that evidence

The industry standard to conduct a disparity study is every five to seven years to reevaluate the factors listed above. The study captures data at a date in time and eventually the data becomes stale, so reevaluations of the data are required. To date, three disparities have been conducted. Since 2010 the SBEDA program has undergone significant amendments that included new tools, systems, and tracking processes which has led to success in the utilization of local small, minority, and women-owned businesses on City contracts over the years.

Below is a high level overview of the solicitation process timeline.

- Pre-Solicitation: SBEDA committee review November 2020, EWDC December 2020, B Session January 2021.
- Solicitation: Release date January 2021, Pre-submittal conference February 2021, Due date March 2021.
- Post-Solicitation: Evaluation complete May 2021, B Session August 2021, City Council approval August 2021.

The scope overview included the following:

- Evaluation of City contracting data from 2014 through 2020
- Evaluation of other various public and private sector datasets
- Research to conclude if disparities exist in business ownership ethnic and gender categories
 - o All minority and women combined
 - o African American
 - o Asian American
 - o Hispanic American
 - o Native American
 - o Women
- The research will be broken down in the following business industry categories:
 - o All industries combined
 - o Construction
 - o Architecture & Engineering
 - o Professional Services
 - o Other Services
 - o Good & Supplies

Contract deliverables include:

- Define the relevant marketplace within which to conduct the study

- Calculate custom availability of minority and women-owned businesses that are ready, willing, and able to do business with the City of San Antonio
- Analyze minority and women-owned business utilization on City contracts
- Determine any causation between disparities and discrimination
- Determine if barriers exist through public and private practices
- Analyze the effectiveness of current race and gender-neutral remedies
- Recommend the suspension, continuation, or expansion of the SBEDA program

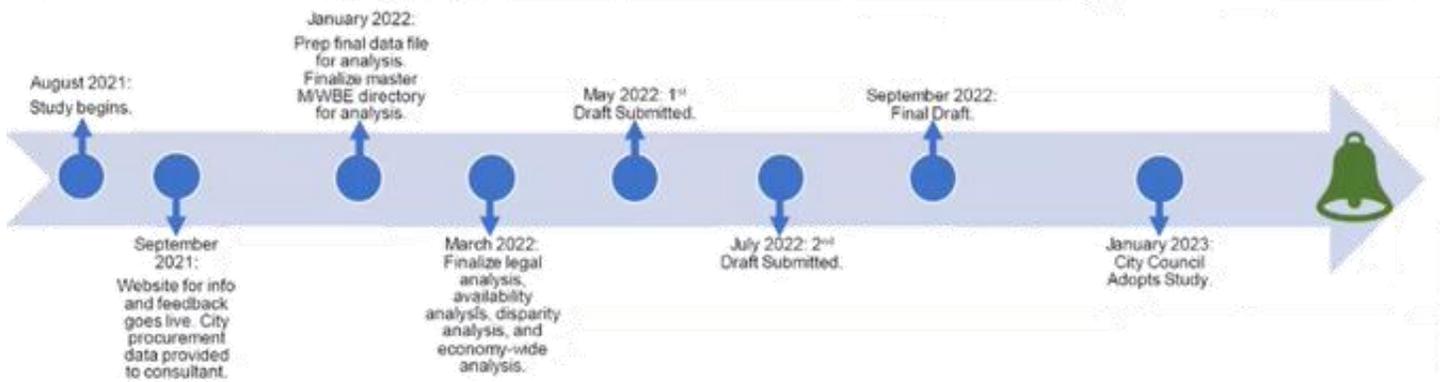
Mr. Sindon continued to discuss the solicitation process and evaluation of the bidders to perform the disparity study. Evaluation Committee included:

- Alejandra Lopez, Assistant City Manager
- Ana Bradshaw, Assistant Director, EDD
- Michael Sindon, Administrator, EDD
- Norbert Dziuk, Assistant Director, Finance
- Juanita Sepulveda, SBEDA Committee Chair

Due diligence was conducted by the City's Finance and Audit Departments, in which no material findings were identified. As for scoring the bidders, the Evaluation Committee was in control of reviewing and scoring the experience, background, qualifications, and proposed plan. Criteria the panel was not in control of and were not showing to the committee to protect SBEDA firms, was price, SBEDA, local preference program, and veteran-owned small business preference program points. A collection of scores from the Evaluation Committee led to the recommendation to enter into an agreement with Colette Holt & Associates to perform the study. The firm's background includes:

- Co-authored the National Model Disparity Study Guidelines
- Previous disparity studies and methodologies have been repeatedly upheld in courts when challenged
- 37 years of experience in this specific field of work
- Conducted dozens of disparity studies for other municipalities including the City of Austin, Travis County, among others

The disparity study timeline includes public engagement throughout the study, individual and group interviews, surveys, and meetings. The timeline begins August 2021 and will likely end in January 2023 with City Council adopting the study.



Mr. Schauffele asked if the committee will be receiving interim reports as the study is being conducted. Mr. Sindon stated that the committee will be getting monthly reports as well as discussing this item during SBEDA meetings moving forward.

C. Chair and Staff Updates

3. SBEDA Committee Chair and EDD staff updates and upcoming events.

Mr. Schauffele spoke about the event he recommend for EDD staff to attend back in July. The event was at the Northeast Neighborhood Alliance which included representation by Council Districts 9 and 10. Mr. Sindon presented on SBEDA and other small business initiatives which were well received. Chair Sepulveda challenged the rest of the committee members to visit with their respective councilmembers to see what other events the small business office can be a part of in the future.

Upcoming events presented were as follows:

- August 26, 2021 @ 3:00-4:00 p.m. | Covid Business Resource Hour | Hosted by LiftFund Women’s Business Center | A weekly COVID Business Resource Hour, this week the topic will be “understanding RFP’s” with special guest Latifah Jackson. <https://www.liffund.com/event/covid-business-resource-hour/>
- August 30, 2021, | Embracing Entrepreneurial Equity Program: Cohort Announced. | <https://maestrocenter.org/event/embracing-entrepreneurial-equity-program-cohort-announced/>
- September 13, 2021 @ 2:30-5:30 p.m. | EDD Vendor Orientation | Review COSA small business programs such as SBEDA, learn how to do business with the city, etc. | Event is virtual.
- September 16, 2021 @ 10:00 a.m.-12:30 p.m. | EDD Vendor Orientation | Review COSA small business programs such as SBEDA, learn how to do business with the city, etc. | Event is virtual.
- September 27, 2021 @ 1:00-4:00 p.m. | EDD Vendor Orientation | Review COSA small business programs such as SBEDA, learn how to do business with the city, etc. | Event is virtual.

EDD staff updates included the following:

1. Joy McGhee was appointed to the SBEDA Committee on 8/19 on behalf of Council District 3.
2. Per SBEDA Committee By-laws, EDD will consult with City Council Offices to appoint new or reappoint current SBEDA Committee Members.
3. The FY 2020 Small Business Office Annual Report was released in August 2021 for public consumption.
4. Central Vendor Registry Reverification is set to begin in the coming month to ensure vendors registered remain ready, willing, and able to do business with COSA.

Chair Sepulveda made a call to action to committee members to set up periodic meetings with each respective council person to keep them up to speed on all things SBEDA. Mr. Schauffele recapped about the significant business presence issue with SBEDA and understands this will be included in the disparity study and wanted it on recorded that the issue will need to be addressed concluding the study.

D. Adjournment

The SBEDA Chair shall entertain a motion to adjourn. Mr. Schauffele moved to adjourn, seconded by Ms. McCullough. Motion carried by entire committee. The meeting was adjourned at 10:02 a.m.