



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 23

**Agenda Date:** April 11, 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:**

Ordinance approving an interlocal agreement with various local public agencies for the joint provision of services to improve the effectiveness of public purchasing from local and small businesses (the Supply SA: Inclusive Procurement Initiative) for a total cost of up to \$162,185 over two years. Funding is from the Economic Development Incentive Fund FY 2024 Adopted Budget.

**SUMMARY:**

This ordinance authorizes an interlocal agreement with various local public agencies for the joint provision of services to improve the effectiveness of public purchasing from local and small businesses for a total cost of up to \$162,185 over two years. The services provided will support small local businesses in accessing procurement opportunities through establishment of the regional Procurement Service Center, as well as support participating public agencies in connecting with qualified local vendors. Funding in the amount of \$162,185 is available from the Economic Development Incentive Fund FY 2024 Adopted Budget.

**BACKGROUND INFORMATION:**

According to analysis completed by researchers from Drexel University's Nowak Metro Finance Lab, Federal, State, and Local Government entities collectively spent over \$9 billion on goods and

services in FY 2021. This included \$4.2 billion spent by 17 local public agencies in Bexar County. With the passing of the Bipartisan Infrastructure Law (BIL) and the City's 2022-2027 Bond Program, public spending in the area will only continue to grow.

In recognizing the power of procurement as a tool for economic development, the Supply SA: Inclusive Procurement Initiative was launched in May 2022 via the Procurement Playbook. The Playbook was developed by researchers from Drexel University's Nowak Metro Finance Lab, with support from the Aspen Institute Latinos and Society program, the San Antonio Area Foundation, and Congressman Joaquin Castro. The researchers conducted interviews with local public agencies, business support organizations, capital providers and business owners, and identified key challenges and developed a series of recommendations.

The Procurement Playbook and local implementation effort, led in part by the City, Bexar County, and UTSA, with coordination from OCI Group, Inc., identified priority implementation areas and presented them to the Chief Executives of 14 participating local public agencies in December 2022. In addition to the City of San Antonio participating agencies include:

- Alamo Colleges
- Bexar County
- Brooks Development Authority
- CPS Energy
- Opportunity Home San Antonio
- Port San Antonio
- San Antonio River Authority
- San Antonio Water System
- University Health System
- UT Health
- UTSA
- Texas A&M San Antonio
- VIA Metropolitan Transit

The Chief Executives of the participating agencies met four times since that initial meeting in December 2022 and focused on (1) prioritizing recommendations for implementation and (2) making decisions related to the organizational, governance, and funding structures of a long-term initiative. The CEO group met most recently on February 27, 2024, to approve and finalize the plan for Supply SA implementation. As an innovative regional effort to expand the local procurement economy in San Antonio and Bexar County, the CEOs propose implementing a two-year Supply SA pilot program with two focus areas:

- **(1) Implementation Activities**, to be performed by UTSA, including:
  - Supporting participating agencies in connecting with qualified local vendors.
  - Leveraging existing UTSA programs to launch the Procurement Service Center one-stop providing advising, training, and networking for small businesses.
  - Provide 1:1 procurement navigation services to small businesses interested in public procurement opportunities via three (3) dedicated Procurement Navigators.
- **(2) Evaluation and Reporting Activities**, to be performed by an external firm, including:

- Monitoring, evaluating, and reporting on the effectiveness of the Initiative.
- Develop a regional reporting system.

To complement its efforts to address regional and inter-agency procurement challenges, the City is also addressing its internal procurement processes to promote access for local and diverse small business participation. On November 9, 2023, City Council approved an agreement with public procurement consulting firm, Civic Initiatives, LLC, to map current procurement processes and develop an improvement plan. This project will be completed by summer 2024 and will inform the City in its ongoing efforts to develop a more accessible and simpler procurement process that will benefit both City staff and vendors.

#### **ISSUE:**

Through this interlocal agreement, the City and fellow participating agencies commit to contribute funding for the Initiative, per agreed upon budget and allocations. Assuming full participation by all agencies in the Initiative, the City's contribution, at 10% of the annual operating budget, will be \$60,821 per year (i.e., a total of \$121,642 for the two-year pilot program).

All participating agencies are also committing to implement the identified priority recommendations, where possible, and provide procurement and spending data for purposes of monitoring and evaluating the effectiveness of the Initiative. UTSA will be responsible for the Initiative's implementation activities and the City will be responsible for identifying and managing the contract with an external vendor for the Initiative's evaluation and reporting activities.

If approved, the proposed timeline for implementation calls for all agencies to approve the interlocal agreement by the end of April 2024, allowing for service provision to begin between May and July 2024. This timeline ensures alignment with the recommended SBEDA Ordinance amendments which, if approved, will be implemented beginning October 1, 2024.

#### **ALTERNATIVES:**

Should this interlocal agreement not be approved, the Supply SA: Inclusive Procurement Initiative may not receive the funding and support necessary to be operationalized. Current challenges may not be addressed as effectively without a coordinated regional effort. This lack of coordination also negatively impacts small, minority, and woman-owned businesses seeking to participate on contracts with the City and/or other local public agencies.

#### **FISCAL IMPACT:**

This ordinance will authorize an interlocal agreement with various public agencies for the joint provision of services to improve the effectiveness of public purchasing from local and small businesses for a total cost of up to \$162,185 over two years. Funding in the amount of \$162,185 is available from the Economic Development Incentive Fund FY 2024 Adopted Budget.

#### **RECOMMENDATION:**

Staff recommends approval of an ordinance for acceptance of an interlocal agreement with various local public agencies for the joint provision of services to improve the effectiveness of public purchasing from local and small businesses for a total cost of up to \$162,185 over two years. The initial term of the agreement shall be for the period upon execution by all participating agencies through completion of the pilot program which is expected to occur by the end of June 2026.