



City of San Antonio

Agenda Memorandum

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Agenda Item Number: {{item.number}}

Agenda Date: November 28, 2023

In Control: Economic and Workforce Development Committee Meeting

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Briefing on the Supply SA: Inclusive Procurement initiative.

SUMMARY:

This is a briefing on the Supply SA: Inclusive Procurement initiative that seeks to increase local and diverse small business participation in the procurement system. City Council approved \$500,000 in the FY 2023 and 2024 Economic Development Incentive Fund (EDIF) adopted budgets to develop and implement this program along with other inclusive procurement initiatives.

BACKGROUND INFORMATION:

According to an 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 fiscal year 2021. This included \$4.2 billion spent by 17 local public agencies in Bexar County.

In response to the current trend in public spending and in recognizing the power of procurement as a tool for economic development, the Supply SA: Inclusive Procurement initiative was launched in May 2022. The goal of the initiative was to grow the Bexar County economy by increasing the participation of local small, minority- and woman-owned businesses in government contracts. In partnership with the Aspen Institute Latinos and Society program, the San Antonio Area Foundation, and Congressman Joaquin Castro, researchers from Drexel University's Nowak Metro Finance Lab conducted interviews with local public agencies, business support organizations, capital providers, and business owners.

Through their research, Nowak Metro Finance Lab identified three key challenges:

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, the research team collaborated with funding partners and 14 participating local agencies to develop the Procurement Playbook which was finalized in November 2022. In addition to the City, 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, and VIA Metropolitan Transit.

Upon completion of the Procurement Playbook, the City, Bexar County, and UTSA, with coordination from OCI Group, Inc, have led the implementation efforts. The following priority areas were identified: Access Capacity Building Process, Vendor Portal Certification, Procurement Navigators, Procurement Academy, Procurement Fellowship, Capital & Business Support, Bond Assistance Program, De-Bundling, Forecasting, Vendor Requirements, Staff Accountability, Standardized Reporting & Outcomes.

In 2022 and early 2023, two subcommittees were formed to review the priority areas and create a plan for implementation. The final plan is scheduled for review and approval in December 2023.

ISSUE:

As part of the Supply SA initiative, the City is exploring opportunities within its internal procurement processes. 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 guide the City in crafting a more accessible and simplified procurement process benefiting City staff and vendors, especially small, minority, and woman-owned businesses.

Additionally, the City and County are co-funding OCI Group, Inc. to develop an implementation plan for the long-term coordination of Supply SA activities. Participating agency CEOs will be briefed on this plan in December, as the initiative transitions to implementation in early 2024.

FISCAL IMPACT:

This item is for briefing purposes only.

ALTERNATIVES:

This item is for briefing purposes only.

RECOMMENDATION:

This item is for briefing purposes only.