



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 31

Agenda Date: April 6, 2023

In Control: City Council A Session

DEPARTMENT: Economic Development Department

DEPARTMENT HEAD: Brenda Hicks-Sorensen

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Recommended American Rescue Plan Act (ARPA) - State and Local Fiscal Recovery Funds (SLFRF) funding awards for Small Business Support Services competitive solicitation.

SUMMARY:

This ordinance authorizes award recommendations from a competitive solicitation process for programming related to small business web presence, growth funding, back office support, and overall small business ecosystem enhancements, in the amount of \$5,050,000.00. Award recommendations are for terms of up to 32 months and funded from the American Rescue Plan Act (ARPA) – State and Local Fiscal Recovery Funds (SLFRF).

This ordinance also authorizes the City Manager or designee to execute any necessary agency contract and contract amendments, as necessary. Contract funds must be committed by December 2024 and spent by December 2026.

BACKGROUND INFORMATION:

On February 3, 2022, the City Council approved a spending framework for State and Local Fiscal Recovery Funds received by the City of San Antonio under ARPA. This framework included

\$30.95 million allocated for small businesses. On June 23, 2022, City Council approved the ARPA Small Business implementation plan that includes a two-phased approach for the distribution of the allocated funds. Phase I focused on the administration of the COVID Impact Grant program to assist small businesses impacted by the pandemic. Phase II will focus on programs that support the acumen and resiliency of small businesses through easier access to education resources, thereby helping them to adjust to the post-pandemic marketplace.

City Council was provided a Post Solicitation briefing on the Small Business Support Services Program during the March 8, 2023, “B” Session.

ISSUE:

On August 18, 2022, a competitive Request for Proposals (RFP) was released to award \$7.78 million in funds for programming related to supporting small business post pandemic. The solicitation closed on October 21, 2022, with a total of 10 respondents submitting 30 proposals for the various programs. Evaluation and scoring meetings were held in November and December 2022. The evaluation committee recommended five partners for the programs with awards totaling \$5,050,000.00. The table below provides the amounts recommended for award:

Program	Recommended Award
Growth Fund	\$750,000
Ecosystem Enhancements	\$3,000,000
Back Office Support Program	\$750,000
Web Presence Program	\$550,000
Total	\$5,050,000

Awards are proposed for five agencies totaling \$5.05 million. The list of agency funding recommendations is provided below. Contracts are expected to begin upon execution and will end at the term indicated in each contract, but no later than December 2025.

Program	Respondents Selected	Recommended Award	Program Scope
Growth Fund	LISC	\$388,000	Through the BDO (Business Development Organization) Alliance partnership, small businesses will receive no interest microloans not conditioned on conventional creditworthiness to help grow their business.
	Maestro Entrepreneur Center	\$362,000	Maestro-led cohort of second stage companies receiving individualized, problem-focused solutions to grow small businesses in partnership with the Edward Lowe Foundation.
Back Office	LISC	\$318,000	Connects small business owners to reduced-cost professional services including legal, HR,

Support			accounting, and insurance. BDO Alliance partnership will help facilitate.
	SAGE	\$432,000	Expands existing Back Office Support program by providing a health assessment, improvement plan, and technical assistance in fiscal management, including accounts payable and receivable, payroll administration, and budget preparation.
Web Presence	Herospace Digital Consulting	\$550,000	Provides an individualized digital marketing plan following a personal meeting and digital needs assessment. Small business owners with the most need will receive custom-built small websites. Creates a dedicated educational website with custom content to empower small business owners.
Ecosystem	LISC	\$2,600,000	Robust programming to increase staffing resources to BDOs, establish shared training and curriculum resources, continue exploration of community ownership structures to prevent displacement, establishing centralized, shared data across BDO Alliance members, and promoting BDO Alliance efforts including a community awareness campaign.
	Prosper West	\$400,000	Compañero program is a grassroots facilitator and hub between small businesses and available ecosystem resources, including funding and educational opportunities.

The Localism proposals reviewed by the Evaluation Committee were not in line with the project vision, therefore this program is not recommended to be awarded at this time. Staff recommends the reallocation of \$150,000 from the Localism program into the Web Presence program to support associated marketing efforts. Staff is currently exploring alternative implementation options for the remaining \$475,000 associated with the Localism program.

ALTERNATIVES:

Should the above recommended awards not be approved, EDD will issue a new competitive RFP process for Small Business Support Services.

FISCAL IMPACT:

Funds for the agency contracts recommended with this action in the amount of \$5,050,000 are available from the American Rescue Plan Act (ARPA) – State and Local Fiscal Recovery Funds (SLFRF). These funds must be obligated by December 2024 and spent by December 2026. There

is no fiscal impact to the City.

RECOMMENDATION:

Staff recommends the approval of awards for Small Business Support Services.