

AN ORDINANCE 2014 - 06 - 26 - 0513

**AMENDING THE SMALL BUSINESS ECONOMIC DEVELOPMENT ADVOCACY (SBEDA) ORDINANCE TO INCREASE THE THRESHOLD FOR APPLICATION OF SBE EVALUATION PREFERENCE POINTS FOR BEST VALUE CONSTRUCTION CONTRACTS UNDER \$10 MILLION.**

\* \* \* \* \*

**WHEREAS**, on June 16, 2010, City Council adopted Ordinance No. 2010-06-17-0531, further amended by Ordinance Nos. 2010-09-02-0756 and 2011-04-14-0303, which significantly revised the City's SBEDA program, including changes to further narrowly-tailor the tools available to promote small, minority and women-owned businesses; and

**WHEREAS**, these tools are customized to the particular contract being solicited, depending on: (1) the types of goods or services being purchased; (2) the availability of vendors; and (3) the previous participation of small, minority and women-owned businesses on similar contracts, which solicitations are then reviewed by Goal Setting Committees to establish the particular tools to be applied; and

**WHEREAS**, the tools applied by Goal Setting Committees vary by industry and, in particular situations, have threshold value limitations; and

**WHEREAS**, one of the most commonly-used tools is the application of evaluation preference points for small, minority and/or women-owned businesses responding as prime contractors, which has two limitations; namely: (1) it can only be applied to discretionary contract solicitations (i.e., best value bids, requests for competitive sealed proposals, requests for proposals); and (2) for construction projects, the tool can only be used if the estimated contract value is less than \$1.5 million; and

**WHEREAS**, the dollar value threshold established for the application of small business evaluation preference points on best value construction contracts was based on a projection of area small business bonding capacity but, over the past three years, area small businesses have demonstrated an ability to bond and perform as prime contractors on projects of much larger value, and on various multi-million dollar contracts simultaneously; and

**WHEREAS**, the Small Business Advocacy Committee, which is charged with review of the SBEDA program, recommends increasing the threshold for the application of small business evaluation preference points to best value construction contracts under \$10 million in an effort to provide additional opportunities for its application and to level the playing field for new and/or otherwise unknown small businesses to compete for meaningful work; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** Small Business Economic Development Advocacy (SBEDA) Ordinance No. 2010-06-17-0531 is hereby amended in Section III.D.1.a., entitled ***SBE Prime Contract Program***, to increase the threshold for application of weighted selection criteria, known as SBE evaluation preference points, for best value construction contracts under \$10 million.

**SECTION 2.** This Ordinance shall be effective immediately upon receiving at least eight affirmative votes, or if receiving fewer, on the tenth day after passage.

PASSED AND APPROVED this 26<sup>th</sup> day of June, 2014.

  
M A Y O R  
Julián Castro

ATTEST:

  
\_\_\_\_\_  
Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Robert F. Greenblum, City Attorney

<b>Agenda Item:</b>	13						
<b>Date:</b>	06/26/2014						
<b>Time:</b>	10:34:00 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	An Ordinance amending the Small Business Economic Development Advocacy (SBEDA) Ordinance to increase the threshold for application of SBE evaluation preference points for best value construction contracts under \$10 million. [Carlos J. Contreras, Assistant City Manager; Rene Dominguez, Director, Economic Development]						
<b>Result:</b>	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				x
Ivy R. Taylor	District 2	x					
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				
Cris Medina	District 7		x			x	
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

# City Council Item #13

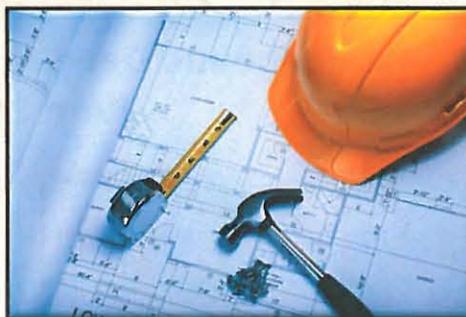


## **SBEDA Ordinance Amendment** **Economic Development Department** **June 26, 2014**

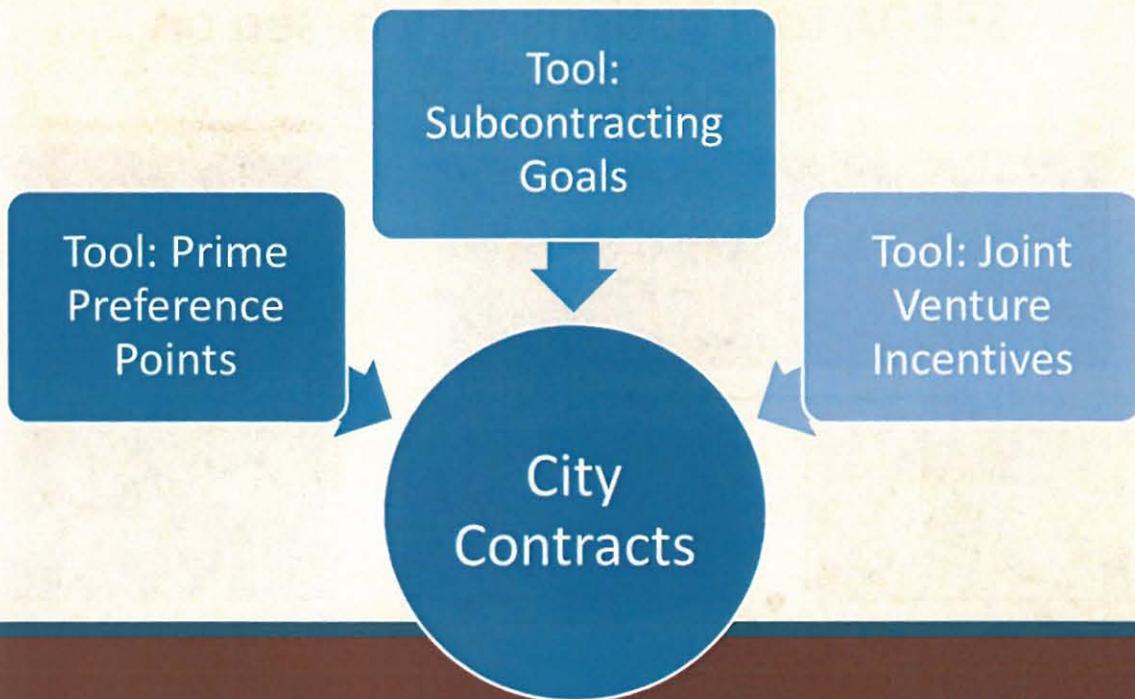


## Summary

- Expand the application of specific SBEDA tools for construction contracts

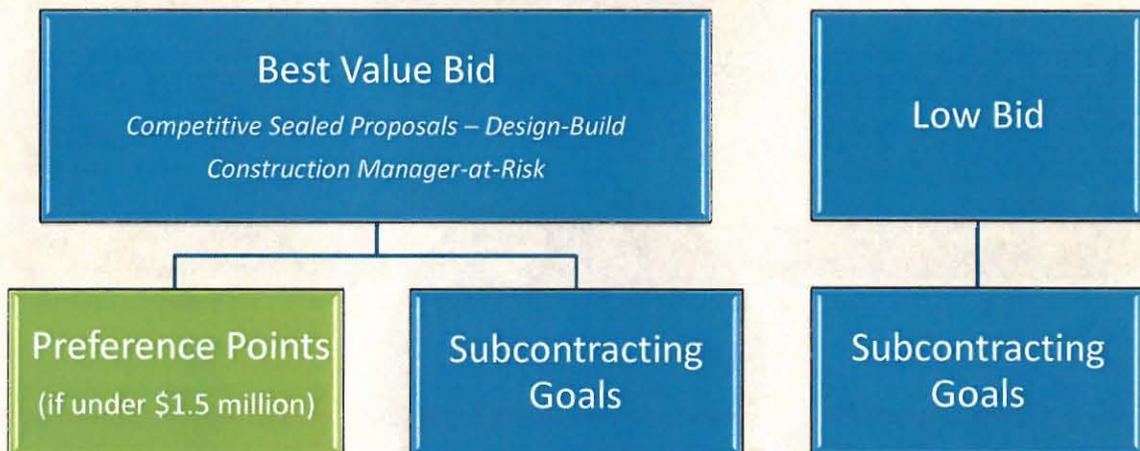


## Background – SBEDA Tools



## Background - Construction

SBEDA tool options vary based on solicitation method



## Issue – Contractor Capacity

Small business contractors can perform projects greater than \$1.5 million



Hardberger Park  
Ecology Center



Pet Adoption Center

## Issue – Contractor Capacity

Small business contractor bonding capacity exceeds \$1.5 million



Salado Creek Greenway



West Villaret Blvd.

## Recommendation

- Make preference points available for small businesses bidding on 'best value' construction contracts under \$10 million



Blanco Rd.

# City Council Item #13



## **SBEDA Ordinance Amendment** **Economic Development Department** **June 26, 2014**

