

E that CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
SMALL BUSINESS ADVOCACY COMMITTEE (SBAC)
July 24, 2020
10:00 am

Call to Order and Pledge of Allegiance:

The meeting was called to order at 10:00 a.m. The Pledge of Allegiance was recited, roll call was taken, and a quorum was established. Economic Development staff present included, Ms. Alex Lopez, Director; Ms. Shuchi Nagpal, Interim Assistant Director; Mr. Carlos Contreras, Assistant City Manager, Ms. Ann Eaton, Economic Development Opportunity Zones Manager and Ms. Monica Flores, Sr. Administrative Assistant. Additional City staff present included, Ms. Christina Ramirez, City Attorney's Office; Mr. Norbert Dziuk, Finance; Ms. Angelica Mata, Finance; Mr. Troy Elliot, Finance.

Roll Call:

Siew Pang, District 1	Absent	District 6	Vacant
Jade McCullough, District 2	Absent	Irene Chavez, District 7	Present
District 3	Vacant	Donovon Rodriguez, District 8	Present
Juanita Sepulveda, District 4, Chair	Present	Steven Gonzales, District 9	Absent
Veronica Morales, District 5	Present	Roy Schaufele, District 10	Present
Melanie Tawil	Present		

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

A. Approval of Minutes

Discussion and action to approve the minutes from the June 29th, SBAC meeting. Approval of the June 29, 2020 meeting minutes – Mr. Schaufele called for a motion to approve and Mr. Rodriguez seconded the motion. The committee voted to approve the minutes as presented.

B. Individual Items

1. Discussion and possible action on Significant Business Presence Eligibility Criteria within the SBEDA Ordinance.
 - Ms. Shuchi Nagpal reviewed the Significant Business Presence Eligibility Criteria within the SBEDA Ordinance. Ms. Nagpal reviewed the purpose, eligibility and current requirements of the Small Business Economic Development Advocacy program. Ms. Nagpal emphasized the purpose of this presentation was to possibly move forward with taking action on continuing the ordinance. The new policy considers the removal of significant business presence as eligibility option and if recommended the questions raised to the committee was to either immediately change the policy in October or to consider with the next SBEDA Ordinance Amendment process in March of 2022. Ms.

Nagpal reviewed the potential impact of the change. Staff recommendations presented were to have public engagement to gather feedback on the removal of the ordinance by creating focus groups, also to provide SBAC stakeholder feedback to determine next steps. Mr. Schauffele asked a question regarding the 51% majority ownership requirement. Ms. Nagpal stated that as part of the SCTRCA process, a business submits documentation to provide the ownership status and the determination at the time of application submittal is made based on that information. Mr. Schauffele asked for confirmation if that is just ownership, not active participation of the firm? Alex Lopez, Director of EDD stated that the language in the ordinance calls for ownership and control, the expectation is that 51% be owned and controlled by a member or members of that ethnic, racial or gender group.

Ms. Chavez addressed the 20% rule which she mentioned is the issue at hand has served its purpose and is past its usefulness. Ms. Chavez's recommendation was for an immediate change in October. She stated that when discussing the 20% rule, it is to substantiate whether someone is awarded points to be SBEDA eligible. The grey area is, for example, if a company out of Houston says they are local due to having a branch in San Antonio, they don't have to be headquartered in San Antonio, they just have to have significant business presence which is qualified with the 20% rule. Going further and not supporting our local business goes against what the committee is trying to do. She strongly encouraged that rule go away. The Chair, Ms. Sepulveda reiterated the recommendation and asked the rest of the committee if there are any other comments regarding the subject. Mr. Rodriguez commented that he agreed with Ms. Chavez stating that it should be headquartered and not 20%. He asked how it would affect future contracts and what has been the reason for the 20%.

Ms. Lopez provided some perspective and stated that EDD went back and did research on the ordinance from almost 15 years back when the program was substantially different. The threshold was intentionally set low. Mr. Rodriguez asked if EDD thinks there is anything else we need to consider when using the word headquarter? If the 20% is removed, how does the City make sure that local businesses are getting the jobs? What is the definition of headquartered? Ms. Tawil stated that SCTRCA's application process is very lengthy and asking who the controller is. She stated that they do a real thorough job. Mr. Schauffele asked what is the possibility of "ghost corporations"? Mr. Rodriguez agreed that it can be included. Ms. Tawil stated that to do that, it would be difficult. Ms. Sepulveda asked for the recommendations to be restated. Ms. Chavez asked for guidance from EDD regarding the language to help with eliminating loopholes to keep it transparent.

Ms. Lopez shared with the committee that the first step is to go out and engage stakeholders with the new process to have public engagement and then return to SBAC to see if it aligns. If SBAC is supportive it would have to then go to council for amendment. Ms. Lopez also clarified that any amendments would only be moving forward, it wouldn't affect any existing contracts. Ms. Nagpal asked for a consensus from the committee to move forward. City Attorney intervened and stated that a consensus can be made to go out to the public to seek feedback. Mr. Carlos Contreras, Assistant City Manager stated that direction can be made for City Staff to move forward with seeking feedback then a vote can be made after the feedback is presented. Ms. Morales stated that she agrees with the decision.

2. Briefing on the Procurement Appeal Procedures.

- Ms. Nagpal provided an overview of the procurement appeal procedures under the City of San Antonio's policy. Ms. Nagpal reviewed the restrictions on communication, pre-solicitation, after solicitation is released, review meetings, city council award and post-solicitation process. Mr. Rodriguez inquired about the restrictions of communication process, he asked if individuals can contact city officials about other business and are there any staff restrictions with communication to city council or to the respondent. Mr. Dziuk, Assistant Director of Finance, responded by stating that Mr. Rodriguez's comment is correct there can still be communication regarding other business and that there is no restriction regarding communication between staff and council members. Mr. Rodriguez stated that his concern is that he's heard there can be issues relating to staff being able to discuss projects with council but respondents not being able to and how do we address that? Are there restrictions on opinions given to council by staff? Mr. Dziuk stated that staff can respond to any questions from council regarding the solicitation process and respondents can speak with council members and their staff once their item is posted as an A Session Agenda item.

Mr. Troy Elliot, Deputy CFO with City of San Antonio added to Mr. Dziuk's response that there is a process of briefing the audit committee especially for high profile projects before the project goes out and that is open to the public. Mr. Dziuk reiterated that on a monthly basis city provides city council and mayor a list of all pending profile contracts for transparency. Ms. Chavez asked if there is something that's shared online for vendors that outlines what happens if issues arise with solicitations? Is it being stressed to vendors that if they don't receive a bid, they can request feedback? Mr. Dziuk stated that when the process wraps up, the unsuccessful respondents are notified and lets them know who is recommended along with an overview of the process. Ms. Sepulveda asked where the presentations stand on for those who are submitting proposals to help them understand the process.

Ms. Nagpal stated that there are no vendor events as of now but as a part of procurement process the vendor is informed but not all together. Ms. Sepulveda stated that it is important to move forward with this and not let it go uncompleted. Ms. Chavez recommended a flow chart that the members can share regarding the process and help remove obstacles. Ms. Nagpal agreed with the flow chart suggestion.

Roll call was taken again at this time to establish that there was no longer quorum established due to the departure from Melanie Tawil from the meeting. Actions cannot be made moving forward.

3. Briefing on the Upcoming Job Order Contracts Procurement Process.

Mr. Norbert Dziuk, Assistant Director in Finance provided an overview on Job Order Contracts (JOC) and the proposed upcoming solicitation process for the Public Works department. The current JOC were awarded in February 2019 and were a one-year contract with two one-year option. The City is currently in the first-year option and will expire on February 28, 2021. The City has opted not to exercise the last extension option but to resolicit. Mr. Dziuk emphasized that JOC applies to maintenance, repair, alteration, renovation, remediation and minor construction with the key being that these functions can only be performed on a facility. This is governed by

the State Government Code Chapter 2269 applies. Some key components of JOC are:

- Work is of a recurring nature
- Delivery times, type and quantities of work are indefinite
- Established price
- Competitive solicitation process
- Allows for multiple contract awards
- Payment and performance bonds based on amount of job order

Mr. Dziuk stated the upcoming solicitation should be released in early September and will need an evaluation committee composed of external members. He reviewed the proposed evaluation criteria as well as the solicitation timeline through March 2021. Mr. Schauffele asked what was meant by including external committee members? Mr. Dziuk stated that what they have in mind are individuals outside of the city that manage JOC and members with general contract experience. Ms. Chavez stated that she would enjoy being part of the process. Ms. Sepulveda asked for a more detailed explanation on what is meant by 'external' members and asked if they are taking recommendations. Mr. Dziuk stated the details are still being discussed and they will have a recommendation in the next 10 days, and they are working with city leadership and the Public Works department to finalize the committee.

C. Staff Updates and Board Member Comments

4. Staff Report and Upcoming Events

- Ms. Monica Flores, Sr. Administrative Assistant reviewed upcoming events.

Power Breakfast, Network with community leaders. Discover programs and opportunities available in your backyard. Hosted by the Alamo City Black Chamber of Commerce | **July 28, 2020 @ 7:30-9:00 a.m.** | <https://communication.alamocitychamber.org/events/details/power-breakfast-07-28-2020-1005>

Break Fast & Launch | Fall Information Session **July 29, 2020 @ 12:00-1:00 p.m.**, 600 Soledad St., SA, TX 78205 | <https://launchsa.org/event/break-fast-launch-fall-information-sessions-6/>

UTSA Office of Historically Underutilized Businesses Procurement Sessions | **July 30, 2020 between 9:00 a.m. -3:00 p.m.** via ZOOM. West Chamber will promote, coordinate, and host interviews with HUBs and Small Business Community Members for UTSA. <https://www.utsa.edu/purchasing/hub/index.html>

Smooth Scale: A Peer Group for Scaling Business Owners | **July 31, 2020 @ 10:00 a.m. -12:00 p.m.**, 600 Soledad St., SA, TX 78205 | <https://launchsa.org/event/smooth-scale-a-peer-group-for-scaling-business-owners-7-2/>

Ms. Nagpal reviewed pending agenda items discussed in previous meeting and stated the Small Business Office is working on proving briefings on the items listed.

PENDING AGENDA ITEMS

1. Provide response to procedure change in PWD's administrative hearing process
2. Discuss evaluation system that PWD is using for JOCs

3. Provide scope of departmental equity assessment being conducted
4. Provide an update on the DAP Ordinance and status of plan – recommendation is to hold meeting in August, provide an update and bring back to SBAC for August meeting.
5. Summary of FCC related issues

Ms. Lopez asked for guidance on how to prioritize the items for the next SBAC meeting. Ms. Sepulveda asked the committee members to prioritize and submit back to staff. Ms. Chavez suggested items 1, 4, 2 as her top three priorities.

D. Adjournment

The SBAC Chair entertained a motion to adjourn. Mr. Schaufele moved, seconded by Ms. Morales. The meeting was adjourned at 11:30 a.m.