

CITY OF SAN ANTONIO
ECONOMIC DEVELOPMENT DEPARTMENT
SMALL BUSINESS ADVOCACY COMMITTEE (SBAC)
September 25, 2020
10:00 am

Call to Order and Pledge of Allegiance:

The meeting was called to order at 10:07 a.m. The Pledge of Allegiance was recited, roll call was taken, and a quorum was established. Economic Development staff present included, Ms. Shuchi Nagpal, EDD; Ms. Samantha Diaz, EDD; Ms. Ann Eaton, EDD. Additional City staff present included, Ms. Christina Ramirez, City Attorney's Office.

Roll Call:

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

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

1. Approval of Minutes

Discussion and action to approve the minutes from the August 21, 2020, SBAC meeting. Mr. Schaufele called for a motion to approve and Mr. Rodriguez seconded the motion. The committee voted to approve the minutes as presented.

2. Individual Items

Consideration and Possible Action on the Significant Business Presence Criteria of the SBEDA Ordinance – Presentation made by Ms. Shuchi Nagpal, Interim Assistant Director, EDD

Ms. Nagpal reviewed the Small Business Development Advocacy Program (SBEDA) Significant Business Presence criteria with the committee and made the members aware that a vote will take place after the presentation to submit the findings and recommendations to City Council. Ms. Nagpal reviewed the presentation in detail with the committee members and presented the results of the survey and the focus group meetings.

Ms. Nagpal concluded with the staff recommendation, which was to amend the current SBEDA ordinance so that only S/M/WBEs headquartered in the San Antonio Metro Area (SAMSA) would be eligible for program benefits. As part of the recommendation, the 70 businesses that currently meet SBEDA eligibility criteria, even though headquartered outside the SAMSA, who would be grandfathered into program and remain eligible benefits under the new criteria. She further emphasized that If City Council approves these recommendations, an

amendment to the SBEDA ordinance will be made to change the Significant Business Presence criteria and the Small Business Office would request that the change only apply to new firms and that the 70 firms with existing Significant Business Presence criteria be grandfathered to continue receiving the SBEDA benefits till the new disparity study results are adopted by the City Council. These 70 firms have met the SBEDA requirements, hired local employees, and established prominent locations within the San Antonio Metro area. To further measure the economic impact and conduct deeper analysis, City will be conducting a disparity study next year and EDD plans to release the Request for Proposals by end of this year to hire a consultant. SBAC members will be heavily involved in reviewing and guiding City staff on how the SBEDA program will function in the coming years.

The disparity study is a comprehensive legal analysis of availability small, minority and women owned businesses and their utilization on City contracts. It also measures and reviews the impact of the SBEDA program. The new disparity study results could potentially lead to further changes in the SBEDA ordinance. The SBAC members will be voting today to submit these recommendations for final consideration by City Council. Next steps include review of these recommendations by the Economic Workforce and Development Committee, and if the changes are approved, by the full City Council in November 2020.

Ms. Chavez asked approximately how many businesses does this mean? Ms. Nagpal answered that there are currently 70 businesses registered in the Central Vendor Registry, that is less than 1% of the entire business listing, that are eligible for SBEDA incentives under the Significant Business Presence criteria. Ms. Sepulveda reviewed the verbiage of the staff recommendation once more with the committee members and asked for any input or comments. Mr. Rodriguez asked for clarification per feedback he received from other business owners showing concern that City money & resources and preference points going to businesses outside of San Antonio. He asked for clarification if this amendment will prevent that and will it still benefit businesses the SAMSA area. Ms. Nagpal stated that the procurement process allows bidders from all areas in US to submit bids and currently payments are made to vendors not certified and outside of SAMSA and that will not change with the amendment. The change will affect SBEDA eligibility fulfillment by future small, minority, women-owned businesses headquartered outside of SAMSA that have a branch location or want to open a branch location here in the San Antonio Metro area to receive SBEDA incentives/benefits.

Mr. Rodriguez stated, for the record, that he hopes in the future the staff can include SBAC members in any outreach activities or projects on behalf of the Small Business Advocacy Committee. It would help with accountability, transparency, advocacy and help City Council when committee members work with them directly in each individual district. Ms. Nagpal acknowledged the recommendation and Ms. Sepulveda followed by also acknowledging the comment. Mr. Rodriguez expressed his disappointment in not being included in the entire process. Ms. Nagpal stated that the community outreach was conducted virtually, and a digital survey was sent out to the all the businesses registered in the City's Central Vendor Registry after the consultation with SBAC committee in July 2020, where all members provided input. The SBAC members that are registered businesses had the opportunity to take the survey and express their view. A facilitator was hired to conduct the small focus groups to clearly understand the views of small, minority, and women-owned businesses on this topic and to have an unbiased, in depth conversation. The City staff was also not allowed to participate in the focus groups as part of the process. Ms. Nagpal stated that recordings are available for any committee member upon request. Ms. Tawil stated that she did take the survey as she is a business owner and received the survey as she is registered to do business with the City.

Ms. Sepulveda recommended that in the future, all SBAC members be included in anything being distributed so that they can also distribute information back to their Council offices. Mr. Rodriguez asked that SBO share all material used for the focus groups with SBAC. Mr. Schauffele stated that he has seen the work progress over time and is appreciative of all the work completed by the EDD staff. Ms. Chavez asked if the FCC was part of the

focus groups. Ms. Nagpal replied that the first two small focus groups conducted by the moderator were intended for small minority businesses and did not include any community organizations. In the large stakeholder group meeting, 71 Chambers of commerce, trade and business advocacy organizations were invited, including FCC. Ms. Chavez stated that in a similar fashion to the NAACP being instrumental in bringing things to the forefront, FCC was also working with them to bring the issues of African American businesses. Ms. Nagpal stated that the FCC did in fact get invited to the stakeholder meeting and they did attend with representation.

Mr. Schaufele motioned to move with the recommendation, seconded by Ms. Chavez. The majority of the Small Business Committee voted to approve the recommendation and was acknowledged by the Chair, Ms. Sepulveda. The motion carried to take the recommendation of the staff to the Economic and Workforce Development before going to Council.

SBEDA Dashboard- Small, Minority, Women-Owned Business Enterprises (S/M/WBE) Utilization Report - Presentation made by Ms. Shuchi Nagpal, Interim Assistant Director, EDD.

Ms. Nagpal reviewed the S/M/WBE Utilization Report from October 2020 to July 2020 with the committee members. Ms. Nagpal noted that this is a comparison of payments made to S/M/WBEs last year from October 2018 through July 2019. The intention of the dashboard is to report back to SBAC on the participation of S/M/WBEs on City contracts across the five industries; construction, architectural engineering, professional services, other services, and goods and supplies by comparing it to last year and gauge the growth or a decrease by industry, ethnicity, gender and race. For the same time period, in FY19 55% of payments were made to S/M/WBEs and this year it is at 50%, so there is a 5% impact due to the pandemic and other reasons. Other services demonstrated the biggest difference this fiscal year with certain City services being paused/discontinued due to health reasons.

Ms. Sepulveda asked about the decline in 'Other Services' and if it is related to the pandemic and social distancing. Ms. Nagpal stated that there were two big projects that influenced the decline and other services also includes janitorial and cleaning services which were directly impacted by the pandemic. Ms. Sepulveda asked about the payment process and vendors getting payments immediately as was mentioned in early presentations this year by the Finance department. Ms. Nagpal reassured that the payment process is continuing the same per the presentation given by Finance department in May 2020.

3. Staff Updates and Board Member Comments

1. Hosted by LiftFund: Recover & Restart with Resiliency: Business Continuity Planning: Learn how to customize a Business Continuity Plan for your small business | Wednesday, September 30, 2020 @ 11:30 a.m. Sessions will be 11:30 – 1 pm on Wednesdays , 9/30, 10/21 and 11/1. By the end of the series you will have a finished plan so you and your business are ready to recover and restart when the unforeseen happens. <https://www.eventbrite.com/e/recover-restart-with-resiliency-business-continuity-planning-registration-119152162325>

2. Hosted by Launch SA: 1 Million Cups | September 30, 2020 @ 9:00-10:30 a.m. online event | 1 Million Cups is a Launch SA program where entrepreneurs pitch their business ideas to get feedback from our community. Presenters gain invaluable, supportive insight to help foster their business, and can network with members of the San Antonio entrepreneurial community. <https://launchsa.org/event/1-million-cups-93/>

3. Hosted by LiftFund: 7th Annual Women Supporting Women Conference | October 1, 2020 @ 9:00 a.m. - 12:30 p.m. | A conference in honor of Women's History Month. Two business development topics, a robust

networking opportunity and inspiring success stories. <https://www.liftfund.com/partner-events/7th-annual-women-supporting-women-conference/>

4. Hosted by Launch SA: Intellectual Property, Mentor Rounds | October 7, 2020 @ 10:30-11:30 a.m. | 600 Soledad St. | Do you need help with a patent? Are you interested in creating a patent strategy for your business? Join Shah IP Law, PLLC as they host a free open office hour session to answer your intellectual property questions! The sessions will be a roundtable format. <https://launchsa.org/event/intellectual-property-mentor-rounds-11/>

PENDING AGENDA ITEMS & COMMITTEE DISCUSSION

Pending Agenda items:

1. Small Business Commission Survey Results
2. Mentor- Protégé Program Updates

Ms. Chavez stated that a pending agenda item is to review the concern of contractors who may want to another avenue outside of EDD so that they can communicate and if there may be an update. Ms. Nagpal informed the committee that EDD and Finance staff have provided that information in previous meetings and there are no current updates to that process. Ms. Nagpal also stated that the Office of Equity's review of departments is an internal process review and not necessarily of the complaint process for vendors. Ms. Chavez asked for any updates on the release date for the Job Order Contracting solicitation. Ms. Nagpal responded that project will be solicited after the City Council reviews the recommendations made to the Significant Business Presence criteria. Ms. Chavez stated that after talking to Finance that there was a recommendation to have an outside community member to serve on the evaluation committee and that maybe an SBAC member can assist. Ms. Nagpal noted the suggestion and stated that she would contact Finance department and provide an update. Ms. Chavez stated that SBAC would like to review a list of the small businesses who have benefited from the LiftFund Loan Interest Buydown Program and grants. Ms. Nagpal informed the SBAC that updates are being provided to the EWDC and SBAC members will be provided all the information to join the meetings.

Adjournment

The SBAC Chair entertained a motion to adjourn. Mr. Schaufele, moved, seconded by Mr. Rodriguez. The meeting was adjourned at 11:22 a.m.