



# City of San Antonio

## Agenda Memorandum

**File Number:**19-1350

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**Agenda Item Number:** 3.

**Agenda Date:** 1/8/2019

**In Control:** Economic and Workforce Development Committee

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Rene Dominguez

**COUNCIL DISTRICT(S) IMPACTED:** All

**SUBJECT:**

Briefing on the FY 2018 SBEDA Program Annual Report

**SUMMARY:**

This is a briefing by the City of San Antonio Economic Development Department (EDD) on the FY 2018 SBEDA Program Annual Report.

**BACKGROUND INFORMATION:**

The Small Business Economic Development Advocacy (SBEDA) program combines best practices from around the country to create a robust and comprehensive policy that is designed to remedy disparity of local small, minority and women-owned businesses (S/M/WBEs) on City contracts. While the SBEDA program was established in 1992, a major overhaul to the program was implemented in 2011 that created various contract specific tools to increase S/M/WBE utilization on City contracts and also established a Goal Setting Committee, compliance module, Central Vendor Registry, and capacity building programs, such as the Mentor Protégé program.

Per the legal standard set by the U.S. Supreme Court case *Richmond v. J.A. Croson Co. (1989)*, the City completed its third disparity study in 2015 that showed the City had progressed in utilizing S/M/WBE on City contracts, but disparity of S/M/WBEs in the San Antonio market area remained. As a result, the SBEDA program was amended in 2016 to expand the applicability of its tools for all industries and ethnicities/genders, as well as allow for S/M/WBE prime contractors to self-perform S/M/WBE subcontracting goals to perform a greater percent of the contract and further build their capacity.

**ISSUE:**

The FY 2018 SBEDA Program Annual Report highlights the distribution of dollars paid to S/M/WBEs on City contracts in which the SBEDA program applied. It also highlights specific small businesses that benefited from

the SBEDA program to showcase success stories.

A few notable results documented in the FY 2018 SBEDA Program Annual Report include:

- \$223 million (53% of approximately \$419 million) was paid to S/M/WBEs. This figure represents a 9% increase from FY 2017 and represents the largest percentage of S/M/WBE utilization since the establishment of the SBEDA program in 1992, in which a disparity study found that only 10% of city contract dollars were paid to S/M/WBEs.
  - \$186 million or 44% was paid to local minority or women-owned businesses (M/WBE), exceeding the aspirational goal;
  - \$156 million or 37% was paid specifically to local businesses owned by ethnic minorities; and
  - \$30 million or 7% was paid to local women-owned businesses.
- The M/WBE aspirational goal for each industry was met except for the construction industry, which documented an increase in the percentage of dollars paid to M/WBEs from FY 2017 and achieved its best results to date.
  - The construction industry documented 50% of City contract dollars were paid to S/M/WBEs (\$114 million of \$228 million);
  - The architecture & engineering industry documented 75% of City contract dollars were paid to S/M/WBEs (\$12 million of \$16 million);
  - The professional services industry documented 46% of City contract dollars were paid to S/M/WBEs (\$26 million of \$56 million);
  - The other services industry documented 64% of City contract dollars were paid to S/M/WBEs (\$56 million of \$86 million); and
  - The goods & supplies industry documented 51% of City contract dollars were paid to S/M/WBEs (\$16 million of \$32 million).

The Economic Development Department will distribute the FY 2018 SBEDA Program Annual Report to a variety of organizations, professional associations and trade organizations. In addition, the report will be distributed to various public entities, including CPS Energy, SAWS, and VIA Metropolitan Transit Authority.

## **RECOMMENDATION:**

This briefing is for informational purposes only and no action is necessary.