



# City of San Antonio

## Agenda Memorandum

**File Number:**20-7131

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**Agenda Item Number:** 4.

**Agenda Date:** 12/8/2020

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

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**DEPARTMENT:** Economic Development

**DEPARTMENT HEAD:** Alejandra Lopez

**COUNCIL DISTRICTS IMPACTED:** City-wide

### **SUBJECT:**

Small Business Economic Development Advocacy (SBEDA) Disparity Study: Request for Proposal Pre-Solicitation Briefing

### **SUMMARY:**

The City of San Antonio Economic Development Department is proposing to advertise a request for proposal (RFP) for an updated Small Business Economic Development Advocacy (SBEDA) Disparity and Causation Analysis Study (Disparity Study) to identify potential racial and gender contracting disparities in the San Antonio marketplace and to provide legal support to potentially continue the City's affirmative action contracting program.

### **BACKGROUND INFORMATION:**

As directed in the City Council adopted SBEDA Ordinance (2016-05-19-0367), the City of San Antonio Economic Development Department is proposing to advertise a RFP for an updated SBEDA Disparity Study to identify potential racial and gender contracting disparities in the San Antonio marketplace and to provide legal support to potentially continue the City's affirmative action contracting program.

As determined in Supreme Court case of *Richmond v. Croson (1989)*, government contracting policies using race and/or gender as a classification or as a consideration must withstand "strict scrutiny" under federal law and must show a "compelling governmental interest" to establish and to maintain race and gender-specific programs. Essentially, the governmental entity must find statistical evidence of disparities in the market area, anecdotal evidence of barriers to full and fair inclusion must support the statistical evidence, and remedies must

be “narrowly tailored” to address that evidence. Industry best practice is to update disparity studies every five to seven years.

The proposed new Disparity Study would update the City’s 2015 study, which found a continuing disparity between the availability and utilization of minority- and women-owned businesses on City contracts, as well as market-based disparities impacting minority and women business formation and earnings. Findings of the Disparity Study will guide any potential modifications or amendments to the current SBEDA Ordinance, which will be completed through a separate public engagement process once the study and its findings have been adopted by City Council.

The solicitation is considered a select high-profile solicitation and has an approved FY2021 budget of \$800,000. The Disparity Study RFP will include various SBEDA tools such as prime contracting points (10 points for small business enterprises (SBEs) and 10 points for minority-and women-owned business enterprises (M/WBEs) plus a 20% M/WBE subcontracting goal. The Economic Development Department is planning to present this item to City Council during the January 13, 2021 B Session and publicly release the solicitation on January 15, 2021.

#### **ISSUE:**

This item is for briefing purposes only.

#### **ALTERNATIVES:**

This item is for briefing purposes only.

#### **FISCAL IMPACT:**

The solicitation has an approved FY2021 budget of \$800,000.

#### **RECOMMENDATION:**

This item is for briefing purposes only.