



# City of San Antonio

## Agenda Memorandum

**File Number:**21-1019

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**Agenda Item Number:** 2.

**Agenda Date:** 1/13/2021

**In Control:** City Council B Session

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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 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 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

approximately every five 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 would occur through a separate public engagement process once the study and its findings have been adopted by City Council.

This RFP is considered a 'select high-profile solicitation' and it includes 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), in addition to a 20% M/WBE subcontracting goal). The Economic Development Department presented the item to the Economic and Workforce Development Committee on December 8, 2020. Post the City Council B Session briefing on January 13, 2021, the solicitation will be publicly released on January 15, 2021.

**ISSUE:**

This item is for briefing purposes only.

**ALTERNATIVES:**

This item is for briefing purposes only.

**FISCAL IMPACT:**

Funding in the amount of \$800,000 was approved in the FY2021 General Fund Budget for the contract resulting from this solicitation.

**RECOMMENDATION:**

This item is for briefing purposes only.