City Of San Antonio

2011 - 2012
Annual Report

Economic Development Department

Small Business

Economic Development Advocacy

Program

Executive Summary

In 1992, the City of San Antonio completed a disparity study which showed significant underutilization of small, minority, and women-owned businesses. Driven by this finding, the City adopted its first small business ordinance and to this day remains committed to the development of a robust and diverse business community.

The Small Business Economic Development Advocacy (SBEDA) Ordinance underwent changes in 2010 by incorporating community feedback and overall best practices. Among these enhancements were various incentives used to encourage small, minority and women-owned business participation on City contracts and significant improvements to data gathering and contract monitoring systems. As a result, the new SBEDA Program is one of the most dynamic programs in the country, contributing to San Antonio's ranking as one of the friendliest cities in the United States for small businesses.

This annual report highlights the accomplishments of the City of San Antonio's SBEDA Program and establishes a benchmark for future years. The data and analysis included in this report indicates that when using race-neutral methods alone, as the City did from January 2011 through May 2012, minority and women-owned businesses remained underutilized in relation to their availability. Because of this finding, the race-conscious tools included in the SBEDA Ordinance are now also being utilized.

One of the most notable achievements over the past year was the development of the Bonding Assistance and Mentor Protégé Programs, which provide capacity-building business education and matches participants with experienced business mentors for additional development.

The Small Business Office continues to be a resource for the San Antonio small business community, providing assistance as our businesses grow. Professional staff is readily available to meet local business owners and entrepreneurs to discuss permitting, licensing and regulatory issues. Initial screening is also available on a variety of issues including: sources of capital, developing a business plan, marketing strategies, forming a business organization, government procurement and other vital topics.

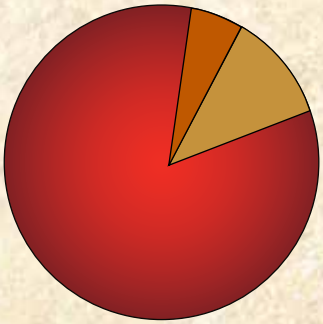
For more information on starting or expanding a business, or to receive a copy of the Small Business Resource Guide, please visit www.SanAntonio.gov/EDD or call (210) 207-3903.Office hours are Monday through Friday 8:00 a.m. to 5:00 p.m.

SBEDA OVERVIEW

OVERALL PARTICIPATION OF SMALL, MINORITY AND WOMEN-OWNED BUSINESSES

One key objective of the SBEDA Program is to maximize the use of small, minority, and women-owned businesses (SMWBEs) on City contracts. The tables and charts to follow indicate the distribution of dollars paid from January 1, 2011 through May 30, 2012. The figures presented in this annual report are rounded off to the nearest dollar. This data does not include purchases made under the Disadvantaged Business Enterprise (DBE) Program or with Community Development Block Grant (CDBG) funds, as federal regulations governing minority and women-owned business participation already apply to those funds. The SBEDA Program also does not apply to sole-source and emergency purchases and to contracts under $50,000. Finally, purchases made utilizing previous versions of the SBEDA Program were removed from these calculations. This focused analysis allows for targeted measurement of the impact of the new SBEDA Program to determine whether both race-neutral and race-conscious procurement incentives should be used.

SBE (not MWBE)	SMWBE	MWBE (not SBE)	Non-Certified*	Total
$3,410,988	$5,674,866	$130,367	$34,677,904	$43,894,125
7.77%	12.93%	0.30%	79.00%	100%



SBE - Small Business Enterprises (not minorities or women)
SMWBE - Small, Minority, and Women Business Enterprises
MWBE - Minority or Women Business Enterprises (not small businesses)
Non-Certified Businesses

*Businesses not certified as small, minority, and women-owned businesses are classified as "Non-Certified."

- 21% of contract payments went to small, minority, or women-owned businesses.
- Minority and women-owned businesses, large and small, received 13.23% of total contract payments.
- Small, minority, women-owned businesses were utilized more than small, non-minority, non-women-owned businesses.

SBEDA OVERVIEW

PARTICIPATION BY INDUSTRY

The table below indicates the contract payments, by industry categories within the scope of the SBEDA Program.

Industry	SBE (not MWBE)	SMWBE	MWBE (not SBE)	Non-Certified	Industry Totals
Construction	$2,470,780	$4,679,849	$32,099	$17,143,699	$24,326,427
	5.63%	10.66%	0.07%	39.06%	55.42%
Architecture & Engineering	$363,391	$768,323	$98,268	$2,960,330	$4,190,312
	0.83%	1.75%	0.22%	6.74%	9.55%
Professional Services	$39,500	$213,049	$0	$3,610,828	$3,863,377
	0.09%	0.49%	0.00%	8.23%	8.80%
Other Services	$537,317	$13,645	$0	$55,009	$605,971
	1.22%	0.03%	0.00%	0.13%	1.38%
Goods & Supplies	$0	$0	$0	$10,908,038	$10,908,038
	0.00%	0.00%	0.00%	24.85%	24.85%
Segment Totals	$3,410,988	$5,674,866	$130,367	$34,677,904	$43,894,125
	7.77%	12.93%	0.30%	79.00%	100.00%

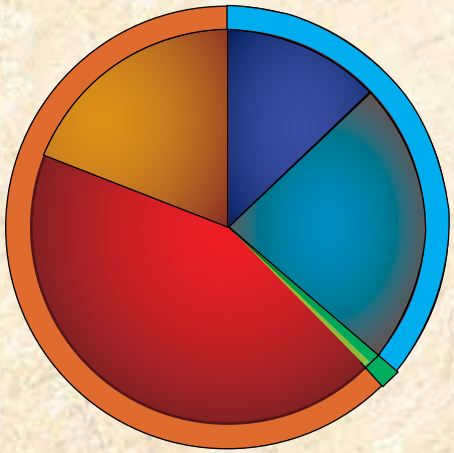
- Construction contracts accounted for the largest use of City dollars, within the scope of the SBEDA program, followed by Goods & Supplies; over half of all City dollars were allocated within the construction industry.
- The construction industry featured the highest participation of small, minority and/or small, women-owned businesses at 10.66% of total City payments.
- Small, Minority, Women-Owned Business Enterprises had less than 1% of total City payments in the Professional Services, Other Services, and Goods & Supplies Industries.
- Non-Certified businesses accounted for 79% of total City payments.

SBEDA OVERVIEW

PRIME AND SUBCONTRACT PARTICIPATION

Small, minority and women-owned businesses are participating on City contracts, as both prime and subcontractors. The table and chart below indicate the distribution of prime and subcontractor payments within the scope of the SBEDA Program:

	SBE (not MWBE)	SMWBE	MWBE (not SBE)	Total
Prime	$1,471,754	$3,783,733	$32,099	$5,287,586
Subcontract	$1,939,233	$1,891,134	$98,268	$3,928,635
Total	$3,410,987	$5,674,867	$130,367	$9,216,221



SBE (Not MWBE) – 37%
Prime – 16%
Subcontract – 21%

SMWBE – 62%
Prime –41%
Subcontractor – 21%

MWBE (Not SBE) – 1%
Prime - <1%
Subcontractor – 1%

- Small, minority and women-owned businesses are participating mostly as prime contractors.
- Small, non-minority and women-owned businesses and small, minority and women-owned businesses are participating as subcontractors in similar dollar values.

PARTICIPATION BY ETHNICITY AND GENDER

The table below indicates the distribution of City payments among certified and non-certified segments within the scope of the SBEDA Program:

AABE	ABE	HABE	NABE	MBE* (Not Segmented by Ethnicity)	WBE
$273,109	$78,400	$4,118,645	$0	$272,347	$1,062,733
0.62%	0.18%	9.38%	0.00%	0.62%	2.42%

Total Ethnicity & Gender	$5,805,234
	13.23%
SBE	$3,410,988
	7.77%
Non-Certified	$34,677,904
	79.00%
Total	$43,894,126
	100.00%

*MBE (Not Segmented by Ethnicity) denotes firms registered as minorities, but not under a specific ethnicity.

- Over $1,000,000 were paid to women-owned businesses on City contracts.
- While Hispanic businesses were the most commonly used ethnic minority business group, in no industry category were Hispanic businesses over utilized, when compared to availability.

SBEDA OVERVIEW

MWBE PARTICIPATION SEGMENTED BY INDUSTRY

The following tables depict availability and utilization for minority and women-owned businesses by ethnicity, gender and industry. These figures exclude payments made to businesses not certified as small minority, or women-owned.

	African American Business Enterprises		Hispanic American Business Enterprises		Women Business Enterprises	
Industry	Availability*	Utilization	Availability*	Utilization	Availability*	Utilization
Construction	3.11%	0.00%	19.38%	8.63%	6.96%	1.66%
Architecture & Engineering	1.20%	0.58%	20.36%	0.70%	9.58%	0.35%
Professional Services	4.09%	0.04%	23.33%	0.05%	16.63%	0.39%
Other Services	5.40%	0.00%	14.15%	0.00%	9.80%	0.03%
Goods & Supplies	2.81%	0.00%	9.00%	0.00%	10.30%	0.00%

*As reported in the March 2010 San Antonio Regional Business Disparity Causation Analysis Study.

- In no industry category was a particular ethnic or gender group over-utilized.
- Construction contracts accounted for the majority of payments to Hispanic American Business Enterprises, Women-owned Business Enterprises, and Asian Business Enterprises.
- Architecture and Engineering contracts were the primary source of payments distributed to African American Business Enterprises.

MWBE PARTICIPATION SEGMENTED BY INDUSTRY (continued)

The following tables depict availability and utilization for minority and women-owned businesses by ethnicity, gender and industry. These figures exclude payments made to businesses not certified as small minority, or women-owned.

	Asian Business Enterprises		Native American Business Enterprises		Minority Business Enterprises (Not Segmented by Ethnicity)	
Industry	Availability*	Utilization	Availability*	Utilization	Availability*+	Utilization
Construction	0.37	0.18%	0.12%	0.00%	N/A	0.27%
Architecture & Engineering	2.99%	0.00%	0.00%	0.00%	N/A	0.35%
Professional Services	0.74%	0.00%	0.12%	0.00%	N/A	0.00%
Other Services	0.88%	0.00%	0.22%	0.00%	N/A	0.00%
Goods & Supplies	1.14%	0.00%	0.13%	0.00%	N/A	0.00%

*As reported in the March 2010 San Antonio Regional Business Disparity Causation Analysis Study.
+The March 2010 San Antonio Regional Business Disparity Causation Analysis Study segmented all minority businesses by ethnicity or gender.

- Asian Business Enterprises participated in construction contracts exclusively.
- Native American Business Enterprises did not participate in any industry.
- Minority Business Enterprises not segmented by ethnicity participated solely on Construction and Architecture & Engineering contracts.

WOMEN-OWNED MINORITY BUSINESS ENTERPRISES

To prevent misrepresentation and double-counting of women businesses, the SBEDA program tracks businesses owned by women within a particular minority group as minority business enterprises (MBEs). The women business enterprise (WBE) figures included in this report represent only non-minority women-owned business availability and utilization. However, the table below indicates the utilization of businesses that are both minority and women-owned.

	Women-Owned Minority Business Enterprises	
Industry	Utilization	Percent
Construction	$200,169	0.46%
Architecture & Engineering	$91,583	0.21%
Professional Services	$23,237	0.05%
Other Services	$1,728	0.00%
Goods & Supplies	$0.00	0.00%

•Minority women business enterprises obtained less than 1% of all contract payments.

•Construction contracts were the primary source of payments distributed to minority women business enterprises.

SBEDA OVERVIEW

AYDA GONZALEZ, PRESIDENT
EDWARD DE LA GARZA, VICE PRESIDENT
GONZALEZ-DE LA GARZA & ASSOCIATES, L.L.C.

Gonzalez-De La Garza & Associates, L.L.C. has deep roots in San Antonio. President Ayda Gonzalez is a San Antonio native, graduating from Taft High School before pursuing higher education at Texas A&M University in College Station, Texas. Company Vice President Edward De La Garza's family is from the Southside of San Antonio, owning and operating their own family business while he attended college at the University of Texas at San Antonio.

For the two engineers, owning a small business is a way to give back to the community they grew up in.

"When a small business can stake itself here and then grow, it's a huge contribution to San Antonio," said Gonzalez.

The Gonzalez-De La Garza & Associates firm provides engineering consulting and project management services for both short-term and long-term projects. The firm turned to the City of San Antonio's SBEDA Program to grow their business.

"The City still notices that small businesses need help, especially those that are women-owned and minority-owned. We're a firm that shows what happens when you do help a small business. We went from two employees to eleven employees," said Gonzalez.

The City of San Antonio's SBEDA Program works to ensure that small, minority and women-owned businesses are being utilized throughout the City and also provide assistance to business owners to learn how to bid for City projects. Gonzalez believes the SBEDA Program inspires potential business owners.

"We want to keep the momentum going for local folks, especially for those in the minority community who don't have access to getting a college education and show them that this is what they can do," said De La Garza.

For more information on the City of San Antonio's SBEDA Program and a complete list of forms and documents, visit www.SanAntonio.gov/EDD.

Events and Programs

VENDOR ROUND-UP

The "Vendor Round-up" was an outreach event co-hosted by the City of San Antonio, the San Antonio Hispanic Chamber of Commerce, San Antonio Water System (SAWS), CPS Energy and VIA Metropolitan Transit. The event was held on Thursday, October 27, 2011 at the Pearl Stables and attracted approximately 200 firms interested in doing business with the four public entities. Participants attended short presentations on procurement and registration with all four agencies and received one-on-one assistance in registering in the agencies' procurement systems at computer stations.

SMALL BUSINESS FAIRS & FOCUS GROUPS

In March and April of 2012, the Small Business Office conducted five small business fairs throughout the City. The fairs provided an opportunity for small businesses to visit with various City departments and learn about procurement opportunities, as well as contracting processes with the City, including registering in the Centralized Vendor Registry. Concurrent with the small business fairs, the Small Business Office facilitated small business focus groups, to better assess the needs of small businesses in San Antonio. Major findings from these events included a need to improve procurement practices and marketing of existing small business resources, increase communication with small business owners and access to capital, and assistance with workforce training.

BONDING ASSISTANCE & MENTOR PROTÉGÉ PROGRAMS

The Small Business Office was tasked with establishing Bonding Assistance and Mentor Protégé Programs based on best practices from around the country. Workgroups of staff, the Small Business Advocacy Committee and industry experts provided valuable recommendations. These programs are being administered in collaboration with Alamo Colleges. The Bonding Assistance Program teaches small businesses how to repair their credit to become bondable and thereby increase their likelihood of being awarded City contracts. The program allows participants to take part in capacity building business education classes, also known as the "Small Business Boot Camp." This program is open to firms in all industries and requires the completion of eight courses: five core and three electives.

The Mentor Protégé Program provides guidance and advice to qualifying businesses in areas, such as administration, organization and operations management. Participants first complete the "Small Business Boot Camp," which is available in two tracks depending on the industry.

Participants are partnered with mentors and receive management guidance and training in the following areas: office procedures, estimating and bidding, bookkeeping and accounting, management of funds, project management, supplier relationships, bonding and insurance. The Bonding Assistance and Mentor Protégé Programs also include business counseling for participants. As of May 2012, 23 participants were enrolled in the Mentor Protégé Program and two are enrolled in the Bonding Assistance Program.

Mentor Protégé Program

The City of San Antonio's Small Business Office coordinates with Alamo Colleges to provide protégés with invaluable training, networking and a lasting relationship with a mentor. Kim Suarez, owner of Parties, Picnics and Promotions in San Antonio is learning the ins and outs of good business practices from her mentor, Laurie Ontjes of Illusions Rentals and Designs, a company that has been in business since the 1980s.

LAURIE ONTJES, GENERAL MANAGER
ILLUSIONS RENTAL & DESIGNS

Ontjes brings with her more than 20 years of experience in event planning, working on events ranging from a family reunion backyard barbecue for 20 people to corporate annual events attracting more than 15,000 attendees. Ontjes and her team have coordinated hundreds of events, including the memorial service for former First Lady, Lady Bird Johnson. Major decisions can greatly affect how smoothly an event runs, which is knowledge that cannot be learned in a classroom or read in a book. Suarez says having a mentor has helped her learn from their experiences, avoiding common mistakes and challenges while looking beyond to opportunities a small business could otherwise overlook.

"I think we will be more profitable, even in just the initial meeting with my mentor, we shared many ideas and right away had a plan of what to focus on," Suarez said. "We learned to work smarter and more efficiently."

KIM SUAREZ, OWNER
ALL ABOUT ENTERTAINMENT:
PARTIES, PICNICS AND PROMOTIONS

Suarez says another benefit of participating in the Mentor Protégé Program is the networking she has done to grow her business. "Participating in the classes offered has allowed us to interact with other small business owners and managers, and we came up with ideas I never would've thought of. We now keep in touch through email," Suarez continued.

The Mentor Protégé Program gives businesses guidance in administration, organizational, and operations management. Protégés are also enrolled in a Small Business Boot Camp, available in two tracks depending on the industry. The tracks each consist of eight courses: five core and three electives.

"The Mentor Protégé Program is a phenomenal thing to put in place, to work off of shared experience, I think that this will give many people in the market a good foundation to base their future career choices on," said Ontjes.

If your business is interested in participating in the Mentor Protégé Program, visit www.SanAntonio.gov/EDD.

Goal Setting Process and Aspirational Goals

GOAL SETTING PROCESS

The SBEDA Program uses Goal Setting Committees to identify the contract-specific tools that would most effectively promote the use of small, minority and women-owned businesses on individual contracts. These decisions are based on industry categories, project scope and a review of small, minority, and women-owned businesses that are ready, willing and able to perform on a City contract. Since January 2011, the Goal Setting Committees held 99 meetings, reviewing a total of 278 solicitations/contracts. Goal Setting Committees consist of City staff from the Finance Department, Capital Improvements Management Services Department, Economic Development Department and are chaired by an executive appointed by the City Manager. The Committees also include a representative from the department issuing the contract, along with citizens appointed by City Council. The citizens serving on the Goal Setting Committees are:

GLORIA ANDRADE MERRELL
ANDRADE BUSINESS CONSULTANTS
PRESIDENT

ROBERTO R. RODRIGUEZ
VITA NAVIS GROUP
CEO

MANUEL VILLA
VIA TECHNOLOGY
PRESIDENT & FOUNDER

PAUL A. FLYNN
TRANSWESTERN
COMMERCIAL REAL ESTATE BROKER

VALERIE GONZALEZ
DELICIOUS TAMALES
PRESIDENT

GWEN ROBINSON
ALAMO CITY BLACK CHAMBER OF COMMERCE
EXECUTIVE DIRECTOR

ANNUAL ASPIRATIONAL GOALS

Annual Aspirational Goals are not applied to individual solicitations, but are intended to serve as a benchmark against which to measure the overall effectiveness of the SBEDA Program. Aspirational Goals are established on an annual basis by the Goal Setting Committees and are based upon the availability of minority and women-owned businesses included in the City's Centralized Vendor Registry (CVR).

	Construction	Architecture & Engineering	Professional Services	Other Services	Goods and Supplies
FY2012*	29%	34%	45%	30%	23%
FY2013	34%	23%	18%	23%	9%

*Aspirational Goals were based on disparity study data during a timeframe in which among other allowances, vendors were allowed to self-report ownership status. Since the launch of the CVR in March 2011, the City more accurately captures ownership status of firms interested in doing business with the City.

SMALL BUSINESS ADVOCACY COMMITTEE

The Small Business Advocacy Committee (SBAC) is a group of citizens appointed by the Mayor and City Council to advise on issues affecting small businesses in the San Antonio area. The committee assists in reviewing the continuing programs for prime contractors and subcontractors that promote small, minority and women-owned business participation. In addition, they make recommendations concerning modifications of programs and procedures established in the SBEDA Program. Regular meetings are held on the third Tuesday of every month at the offices of the Economic Development Department.

CHAIRMAN
GLORIA ANDRADE MERRELL
DISTRICT 4
PRESIDENT/OWNER
ANDRADE BUSINESS CONSULTANTS, LLC

VICE CHAIR
ALVARO "AL" RODRIGUEZ JR.
DISTRICT 6
FOUNDER/PRESIDENT
A MARKETING & SERVICE CO.

ANNE-MARIE GRUBE
DISTRICT 1
CO-OWNER
TORTILLERIA LA TRADICIONAL, LLC

MARK OUTING
DISTRICT 2
PRESIDENT
FATTY'S BURGERS, LLC

GRACE GONZALEZ PADRON
DISTRICT 7
PRINCIPAL
GRACE PADRON DESIGN GROUP, LLC

MATTHEW J. MCCROSSEN
DISTRICT 8
CO-OWNER
ELEGANT MAPPING

ORALIA SALAME
DISTRICT 5
PRESIDENT
TOMMY'S RESTAURANT

WILLIAM "BILL" WHITE, P.E., P.T.O.E.
DISTRICT 3
SENIOR VICE PRESIDENT
GKW ENGINEERING

CHRISTOPHER C. HERRING, MS, MA
MAYORAL
CO-OWNER, NEW HORIZONS SCHOOL, LLC
PRESIDENT, CHILDCARE AMERICA, LLC
NATIONAL DIRECTOR OF NONPROFITS,
MATCH RATE PLUS
NATIONAL DIRECTOR OF NONPROFITS,

Registering businesses into the City's CVR (SAePS) is a priority. Please look for us at outreach events throughout the City.

City Of San Antonio

Economic Development Department Mission Statement:

To foster growth, through collaboration
and innovation, for the continued prosperity
of our community

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(210) 207-3922

www.sanantonio.gov/edd