

AGENDA



Thursday, September 27, 2007

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION****Item No. 42**

Subject: Authorize award and execution of Amendment No. 1 to a contract with PEOPLEFUND, Austin, TX, to add two 12-month extension options to the contract for the continuation of loan administration and loan services for the Small Business Development Program that support job creation and/or expansion of small businesses in an estimated amount not to exceed \$150,000 per extension option, for a revised total estimated contract amount not to exceed \$450,000.

Amount and Source of Funding: Funding in the amount of \$150,000 is available in the Fiscal Year 2007-2008 Operating Budget of Neighborhood Housing and Community Development Department through the Community Development Block Grant (B-07-MC-48-0500) provided by the U.S. Department of Housing and Urban Development (HUD), subject to applicable environmental review in accordance with HUD requirements for the release of funds. Funding for the extension option is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Rosemary Ledesma, Supervising Senior Buyer/974-2011

Purchasing Language: Contract Amendment.

MBE/WBE: This contract was awarded in compliance with Chapter 2-9C of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Prior Council Action: 01/11/07 – Approved 9-month service contract.

On January 11, 2007, Council approved a 9-month contract with PeopleFund to provide services to small minority business owners and entrepreneurs. The contract term is January 1, 2007 through September 30, 2007. This proposed Contract Amendment No. 1 is to add two 12-month extension options for \$150,000 per extension, allowing these services to continue to support the Small Business Development Program through September 30, 2009. These services will be funded by Community Development Block Grant Funds provided through the U.S. Department of Housing and Urban Development.

Services for this program were solicited in August 2006 under a new Service Delivery Model, which was developed as a result of a Council Sub-Committee mandate. The services include the following:

- Loan packaging
- Loan administration
- Loan servicing assistance, and
- Loans to small minority business owners and entrepreneurs

The loans will provide capital to start, operate, or to expand a business.

PeopleFund is a non-profit corporation whose staff has attended training sessions, conducted by NHCD, which were designed to assist service providers to better understand federal regulations associated with CDBG funded awards, City policies, and department processes and procedures.

The Contractor has demonstrated its understanding of the program and the related administrative requirements by successfully performing the services under the contract. PeopleFund is on track to achieve its performance goal of creating or retaining no less than five new permanent jobs to participants in the program. The performance goals for the two extension options will be increased to six new permanent jobs to be created annually for qualified program participants.