

## AGENDA



Thursday, April 24, 2008

**Purchasing Office**  
**RECOMMENDATION FOR COUNCIL ACTION**

**Item No. 49**

**Subject:** Authorize negotiation and execution of a 12 month contract with Cen-Tex Certified Development Corporation of Texas dba Business Community Lenders of Texas, Austin, TX to provide financial management technical assistance and loan packaging services to small business owners in an amount not to exceed \$133,000, with an additional 12 month extension option in an amount not to exceed \$133,000, for a total contract amount not to exceed \$266,000.

**Amount and Source of Funding:** Funding in the amount of \$55,417 is available in the Fiscal Year 2007-2008 Operating Budget of the Economic Growth and Redevelopment Services Office. Funding for the remaining 7 months of the contract period and 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:** Sydney Ceder, BuyerII/974-2035

**Purchasing Language:** Two proposals received.

**MBE/WBE:** This contract will be awarded in compliance with Chapter 2-9 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.

Small businesses make an important contribution to Austin's economy. This contract will contribute to the startup, survival, and growth of small businesses by helping owners and entrepreneurs prepare to apply for a loan.

BCL of Texas will provide three key services:

- Develop a financial readiness assessment model to assess the client's readiness to apply for a loan, and recommend the client's "next steps" in preparing to apply for a loan.
- Provide technical assistance on lending-related financial management topics.
- Provide technical assistance with the preparation of the loan application, coach the client on presenting their loan request to bankers, and assist the client with any revisions requested by the bank.

The contract's performance targets are as follows:

- Conduct financial readiness assessments on 40 clients.
- Provide 1,000 hours of technical assistance with financial management and loan packaging.
- Complete at least 10 new loan applications, and revise 10 previously denied loan applications.
- Contribute to the establishment of at least 4 new businesses, 6 new jobs, and the expansion or productive growth of at least 4 existing businesses.
- 65% of clients must report that they were satisfied with the services they received.

An RFP was issued on September 24, 2007, for qualified and experienced individuals, businesses, and/or non-profit agencies to provide assistance to small business owners and entrepreneurs with financial readiness, loan packaging, and loan presentation skills. Two proposals were received.

The proposals were evaluated by City staff members from two departments with extensive financial management and budgeting experience, including a CPA.

The panel members recommended Business Community Lenders of Texas as the best Proposer based upon the following categories: 1) the strength of the proposal, 2) experience, and 3) total evaluated cost.