

AGENDA



Recommendation for Council Action

AUSTIN CITY COUNCIL

Regular Meeting: April 12, 2018

Item Number: **023**

Purchasing Office

Authorize negotiation and execution of a contract with The University of Texas at Austin D/B/A Austin Technology Incubator, to provide small business consulting services, for a term of one year for a total contract amount not to exceed \$250,000. (Note: Contracts with non-profit entities are exempt from City Code Chapter 2-9C Minority Owned and Women Owned Business Enterprise Procurement Program; therefore, no subcontracting goals were established).

Lead Department	Purchasing Office.
Fiscal Note	Funding is available in the Fiscal Year 2017-2018 Operating Budget of the Economic Development Department.
Purchasing Language	Professional Service.
For More Information	Inquiries should be directed to the City Manager’s Agenda Office, at 512-974-2991 or AgendaOffice@austintexas.gov <mailto:AgendaOffice@austintexas.gov> or to the buyer, Roger Stricklin, at 512-974-1727 or Roger.Stricklin@austintexas.gov <mailto:Roger.Stricklin@austintexas.gov>.
Client Department(s)	Economic Development Department.

Additional Backup Information:

Austin Technology Incubator is a program of The University of Texas at Austin, which has had a successful relationship with the City for over 20 years. This contract is to assist Austin Technology Incubator with administrative support in providing strategic business consulting services to startup companies. Austin Technology Incubator is the longest-established venture incubator in the United States. Austin Technology Incubator supports the City's economic development goals of creating jobs and investment through entrepreneurship development and start-up support, and promotes education and resource development that these small businesses need to thrive. Austin Technology Incubator also provides a crucial task of attracting additional venture capital to the region.

Through its affiliation with the City, Austin Technology Incubator services include, but are not limited to, strategic business review and advice, assistance developing finance strategies and investor communications, student intern resources, business seminars, senior executive talent database access and relationship-building, angel groups and venture capital firm partnerships, and connections with a network of over 350 mentors and advisors. Under the previous five year contract, Austin Technology Incubator has incubated 188 graduate companies that have created over 2,000 jobs. Austin Technology Incubator estimates the contract has provided \$220,000,000 in economic impact over the five year period, or \$69 per City dollar invested. Additionally, incubator graduate companies have raised an estimated \$900,000,000 in funding in the past decade. Austin Technology Incubator is also the major source of technology commercialization in Austin: 94% of the capital raised by Texas startups with The University of Texas at Austin tech licenses (nearly \$200 million) has been raised by Austin Technology Incubator companies.

Through the support of this contract, Austin Technology Incubator will deliver the following services for quarterly measurement:

- **Strategic Business Consulting:** Austin Technology Incubator will provide at least 50 hours of strategic business consulting services to at least 25 startup companies. These services include, but are not limited to, strategic business review and advice, assistance developing finance strategies and investor communications, country-wide exposure to potential investors and grant opportunities, pitch competitions, applicable workshops, business seminars and conferences, student intern resources, senior executive talent database access and relationship-building, and connections upon request with a network of over 350 mentors and advisors.
- **Marketing and Education Campaign:** Austin Technology Incubator will develop a marketing and education campaign that will reach at least 100 businesses to highlight Austin as a center of entrepreneurial activity and promote local companies in its practice area industries. This campaign will include 10 networking and educational events in Austin and the showcasing of Austin Technology Incubator's capabilities at major conferences and trade shows.
- **Two New Areas of Focus in Circular Economy and Agriculture Tech:** Austin Technology Incubator currently has practice areas in bio/ life sciences, energy, transportation/mobility, and water technologies. Austin Technology Incubator is asking the City to fund two new areas of focus for Austin Technology Incubator in the areas of circular economy (zero waste, reuse, recycling, e-waste) and agriculture technology in addition to continuing to fund the bio/life sciences incubator.

- **Practicum in Entrepreneurship:**Austin Technology Incubator will develop a practicum in entrepreneurship to address the circular economy Reverse Pitch put on by the City. This three-hour course will form at least 3-5 teams who will create solutions/businesses to compete in the City's Reverse Pitch. The curriculum would be developed in Fiscal Year 2017-2018 with the first course aligning with the 2019 Reverse Pitch Competition.
- **Huston-Tillotson University Internship Program:**Austin Technology Incubator is also proposing a relationship with Huston-Tillotson University, to hire student interns into the Austin Technology Incubator business intern program on a semester by semester basis.
- **Multi-Ethnic Chamber Outreach Program:**Austin Technology Incubator will work directly with the Multi-Ethnic Chambers of Commerce to integrate business people and people who work in technical fields into the "Austin Technology Incubator - Incubator System". Austin Technology Incubator will measure its success based on the number of Multi-Ethnic Chamber members or referrals attending Austin Technology Incubator events, becoming Austin Technology Incubator mentors, and entering Austin Technology Incubator's incubator program.