



**Purchasing Modification  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 24  
AGENDA DATE: Thu 01/29/2004  
PAGE: 1 of 2**

**SUBJECT:** Authorize execution of Amendment No. 1 to a professional services agreement with **BUSINESSES INVEST IN GROWTH**, Austin, TX to extend the contract on a month to month basis for nine months in an amount not to exceed \$108,000, to provide the technical assistance portion of the Micro-enterprise Technical Assistance and Lending Services Program, for a total contract amount not to exceed \$144,000.

**AMOUNT & SOURCE OF FUNDING:** Funding is included in the Fiscal Year 2003-2004 Neighborhood Housing and Community Development special revenue fund for the Community Development Block Grant.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

<b>REQUESTING</b> Purchasing	<b>DIRECTOR'S</b>
<b>DEPARTMENT:</b> for Neighborhood	<b>AUTHORIZATION:</b> <u>Vickie Schubert</u>
Housing and Community	
Development; Economic	
Growth and	
Redevelopment Services;	

**FOR MORE INFORMATION CONTACT:** Mick Osborne, Sr. Buyer/974-2995

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** N/A

**MBE / WBE:** This contract was 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.

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The City of Austin operates a Micro-enterprise Technical Assistance and Lending Services Program, which is funded by Community Development Block Grant (CDBG) funds provided by the U.S. Department of Housing and Urban Development (HUD). The objective of the Training and Technical Assistance portion of the program is to provide essential classroom training and one-on-one technical assistance to qualified micro-enterprises. A micro-enterprise is defined as a business having five employees or less, where the owner is one of those employees. This contract with Businesses Invest in Growth (BIG) provides a curriculum of training classes that allows qualified micro-enterprises to access the lending component of this program.

The Economic Growth and Redevelopment Services Office (EGRSO), through the Small Business Development Program (SBDP), is requesting authorization to extend this contract on a month-to-month basis from January 1, 2004 through September 30, 2004. During the FY 2004 Budget Approval hearings, Council directed staff to continue funding Businesses Invest in Growth (BIG) on a month-to-month basis to avoid disrupting services to clients while the City completes implementation of a new small business development services delivery system. This contract was awarded administratively for the period of



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October 1, 2003 through December 31, 2003.

Over the combined 12-month period for FY 2003-04, BIG must meet the following performance measures:

- Provide a minimum of 686 hours of core training to a minimum of twenty (20) unduplicated businesses
- At least 85% of training participants must report that they learned something that will help them start a business, or that will help their existing business expand or become more competitive
- Provide a minimum of 160 Technical Assistance hours to a minimum of twelve (12) unduplicated small/minority businesses
- At least two (2) jobs must be either created or retained from the micro-enterprises that receive BIG's services under this agreement

The SBDP has been working since 2000 to complete Council's directive to develop a comprehensive strategy for delivering effective and cost-efficient services to small business owners. The recommendations for the new delivery strategy and its service components have been finalized. An RFP will be issued in 2004 to solicit these services, and the resulting contracts are expected to be effective October 1, 2004.

<u><b>ACTION</b></u>	<u><b>DESCRIPTION</b></u>	<u><b>AMOUNT</b></u>
Original Contract	Contract awarded administratively for 3 months	\$ 36,000
Proposed Amend #1	Authorize an amendment extending the contract for 9 months	<u>\$ 108,000</u>
	<b>TOTAL</b>	<b>\$ 144,000</b>