

AGENDA



Thursday, July 29, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 59

Subject: Authorize award and execution of a 12-month requirements service contract with CEN-TEX CERTIFIED DEVELOPMENT CORPORATION, DBA BCL OF TEXAS, Austin TX, to provide business development technical assistance to small business owners in an estimated amount not to exceed \$265,000, with two additional 12-month extension options in an estimated amount not to exceed \$265,000 per extension option, for a total estimated contract amount not to exceed \$795,000.

Amount and Source of Funding: Funding in the amount of \$22,083 is available in the Fiscal Year 2009-2010 Operating Budget of the Economic Growth and Redevelopment Services Office. Funding for the remaining 11 months of the original contract period and the extension options are contingent upon available funding in future budgets.

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

For More Information: Brenda Helgren, Sr. Buyer, 974-9141

Purchasing Language: Best evaluated proposal of seven proposals received.

MBE/WBE: This contract will be 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.

This contract is to provide business development technical assistance to small business owners and entrepreneurs. Small businesses are a vital component of Austin's economy, comprising 94% of Austin's employers and making a significant contribution to local taxes, fees, and utility revenues. This contract will contribute to the startup, survival, and growth of small businesses by providing technical assistance and one-on-one coaching on starting, developing, and expanding a business.

Since 2006 this service has provided almost 5,700 hours of assistance to over 3,800 customers, resulting in 53 new business startups, 235 new jobs created, and almost \$7.0 million in business loans awarded to customers. Demand for the service has increased 111% over that same period, from 828 service hours delivered in FY2006-07 to 1,746 in FY2008-09.

BCL of Texas, a non-profit community development lender, will provide six key services:

- Assist clients that are starting a business to select the best business structure, and to obtain and complete the appropriate forms to establish the business.
- Assist clients with writing a new business plan, or revising an existing business plan, and ensure that it meets expected professional standards.
- Assist clients with developing a marketing plan.
- Assist clients with learning and applying key financial management concepts and techniques.
- Assess clients' readiness to apply for a loan, and recommend "next steps" in preparing to apply for a loan.
- Assist clients with preparing 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 annual performance targets for this contract are as follows:

- Provide a minimum of 1,700 hours of technical assistance on starting a business, writing a business plan, marketing plan development, financial management, assessing the client's readiness to apply for a loan, and loan packaging.
- Assist clients with the completion or revision of at least 15 business plans, the completion of at least 15 marketing plans, and the completion of at least 20 loan packages or proposals for investors.
- 85% of clients must report that they were satisfied with the service they received.
- Contribute to the establishment of at least 10 new businesses, 15 new jobs, and the expansion or productive growth of at least 10 existing businesses.

New features included in this contract are: 1) services previously offered through two contracts are consolidated under a single contract; 2) extended service hours will be offered one evening per week and one Saturday per month; and 3) assistance with international import/export is specifically included as a service.

The competitive proposals were evaluated by City staff members from three departments with extensive program development, financial, and management experience. The panel members recommended BCL of Texas as the best proposal based upon the following categories: 1) the strength of personnel qualifications, 2) service delivery experience, 3) strength of the conceptual understanding of the project, and 4) program administration experience.

Five non-profit entities received solicitation notices, two of which responded to the RFP including BCL of Texas.

MBE/WBE solicited: 36/41 MBE/WBE bid: 2/1

PROPOSAL ANALYSIS

- Adequate competition.
- Six hundred forty-three notices were sent, including 36 MBEs and 41 WBEs. Seven proposals were received, including two MBEs and one WBE.

APPROVAL JUSTIFICATION

- Best evaluated proposal. BCL of Texas is the current provider of these services.
- The Purchasing Office concurs with the Economic Growth and Redevelopment Services Department's recommended award.
- Advertised in the Austin-American Statesman and on the Internet.