

AGENDA



Thursday, September 23, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 55

Subject: Authorize award and execution of Amendment No. 1 to a requirements service contract with AUSTIN INDEPENDENT BUSINESS ALLIANCE (AIBA), Austin TX, to exercise a 12-month extension option for the establishment and marketing of Independent Business Investment Zone (IBIZ) Districts in an estimated amount not to exceed \$64,000, and to include two additional 12-month extension options in an estimated amount not to exceed \$64,000 per extension option contingent upon the approval of this contract in future budgets, for a revised total estimated contract amount not to exceed \$256,000.

Amount and Source of Funding: Funding in the amount of \$64,000 is available in the Fiscal Year 2010-2011 Operating Budget of the Economic Growth and Redevelopment Services Office. Funding for the remaining extension options 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: Jeff Dilbert, Buyer II, 974-2651

Purchasing Language: Contract Amendment.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D 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: September 14, 2009, Approved a 12-month contract with AIBA in the Operating Budget for Fiscal Year 2009-2010.

On September 14, 2009, City Council passed the Fiscal Year 2009-2010 budget that included a line item for the Economic Growth and Redevelopment Services Office (EGRSO) to award a contract to Austin Independent Business Alliance (AIBA). This proposed Amendment No. 1 will extend this contract in the proposed Fiscal Year 2010-2011 budget and will continue to contribute to the success of small businesses by providing the establishment and marketing of Independent Business Investment Zone (IBIZ) Districts. This amendment will also include two additional 12-month extension options that will only be exercised upon approval of this line item in future budgets.

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. An IBIZ District is an association of merchants within a geographic area that promotes the locally-owned, independent businesses within the district. There are currently six IBIZ Districts established in Austin, encompassing over 300 locally-owned businesses, and one additional district pending:

- Guadalupe from 29th to 32nd Streets
- East 11th St. from IH-35 to Navasota
- South Lamar from Oltorf to Bluebonnet
- North Loop from Avenue F to Chesterfield
- South First St. from Barton Springs Road to Oltorf
- East 6th Street from IH-35 to Comal

- West Lynn from 10th to 13th Streets (pending)

AIBA facilitates the establishment of new IBIZ Districts by contacting businesses within a selected area to determine interest in establishing a district, and by hosting meetings to choose the new district's name and logo and develop a marketing plan. AIBA then helps implement the new district's marketing plan by designing, producing, and distributing signage and printed marketing materials (e.g. flyers, posters, table tents) using the design chosen by each district's leadership committee. AIBA also establishes a webpage for the new district within the AIBA website (ibuyaustin.com), and includes the new district in a multi-page, full-color brochure that promotes all IBIZ districts.

AIBA continues to work with each established IBIZ District to host periodic meetings, to maintain inter-district communications, and to develop and implement an annual marketing plan. AIBA's role in the districts' marketing efforts includes designing advertisements and promotional materials, placing advertisements, approaching potential media sponsors, featuring the district and its businesses on ibuyaustin.com, and including the districts in the IBIZ brochure.

The number of IBIZ Districts has grown from four in 2007 to seven in 2010, with a goal to develop additional districts to be added in the future under this contract. To accommodate this long-term growth with existing budget resources, EGRSO will work with AIBA during the 2010-2011 period to develop a strategy for gradually transitioning mature districts to financial self-sustainability.